

AMERICAN GAS ASSOCIATION



NOVEMBER
1957



AMERICAN GAS ASSOCIATION



Fashion Kitchen
by Good Housekeeping Magazine

REPUBLIC STEEL Kitchens





Robert W. Otto, the new president of the American Gas Association

ROBERT W. OTTO undoubtedly would have risen to the top in any career. Long before A. G. A.'s new president considered the possibility that he might work for a utility—much less become its chairman—he had achieved more success than most men do in a lifetime. For example, his appointment to the Missouri State Supreme Court. He also was the youngest man ever to be elected attorney general in Missouri. Before that, he was assistant attorney general and was twice elected prosecuting attorney in Franklin County, Missouri. Mr. Otto began his career as a practicing attorney in Kansas City and later was with a law firm in Jefferson City. He joined Laclede in 1932 as legal counsel and became its president in 1947. He was elected chairman of the board in 1956. He steps into the A. G. A. presidency a year sooner than expected because of the illness of A. W. Conover, but this native Show-Me Stater is well prepared for the nation's number one gas utility assignment. In fact, we predict he will be doing some showing of his own before the year is over—showing the way to increased research, especially in the field of gas air conditioning, showing how to achieve greater industry unity, and most important of all, showing our competitors a few maneuvers that should keep them on the defensive for a long time to come.

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VOL. 39

NO. 11

• Subscription \$3.00 a year - Published eleven times a year by the American Gas Association, Inc. Publication Office, 73 Main Street, Brattleboro, Vt. Publication is monthly except July and August which is a bi-monthly issue. Address communications to 420 Lexington Ave., New York 17, N. Y., including all manuscript copy for publication. The Association does not hold itself responsible for statements and opinions contained in papers and discussions appearing herein. Entered as Second Class Matter at the Post Office at Brattleboro, Vermont, Feb. 10th, 1922, under the Act of March 3, 1879. Cable addresses: American Gas Association, "Amerigas, New York"; American Gas Association Testing Laboratories, "Amerigaslab, Cleveland."

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A.G.A. in Action

EDUCATIONAL SERVICES

The Task Committee on College Recruiting has elected to:
 (1) Inform industry of Southern Technical Institute's two-year gas fuel technology course; (2) Ask members to write a series of recruiting articles; (3) Recommend recruiting advertising be continued in college and placement publications; (4) Recommend recruiting commercials be given on "Playhouse 90"; (5) Draft an industry-wide survey on college recruiting.

AD PLANS APPROVED

The General Promotional Planning Committee has approved the Domestic and Industrial-Commercial advertising program and recommended that additional funds accruing to the Industrial-Commercial Advertising Committee go into gas air conditioning advertising. The committee also endorsed a proposed gas range promotional program.

BOOKLET FOR BUILDERS

"How to Keep Your New Home New," a booklet in which gas appliances are the only products mentioned, will soon be available as part of a kit to be purchased by gas companies for use by their builder departments. The booklet may be given to builders for presentation to new home owners.

AID TO HOME SERVICE

The New Freedom Gas Home Committee plans a four-color slide package on planning and remodeling kitchens and laundries. It will be accompanied by a suggested speakers' commentary, thus aiding home service departments to present a complete kitchen and laundry planning program to local groups.

NEW FREEDOM EXHIBIT

Some 25,000 visitors are expected to see the more than 5,200 square feet of New Freedom Gas Kitchen and Laundry Bureau exhibits at the National Association of Home Builders Convention in Chicago's Coliseum January 19-23. Eleven magazine-designed kitchens and laundries and exhibits by individual manufacturers will be on display.

NARUC DENIES REVISION

Efforts to revise the uniform system of accounts for gas utilities were denied by a 9-7 vote in a meeting of the NARUC Executive Committee. The vote, taken during the organization's recent convention, was later affirmed on the convention floor.

SEEK INVESTMENTS

The Committee on Financial Management has reviewed preliminary plans for an informational meeting with representatives of the major self-administered pension funds in an effort to arouse the interest of such organizations in making investments in gas company securities.

MARKETING HANDBOOK

Drafts of two additional chapters for the "Marketing Research Handbook" have been approved by the Committee on Market Research. Subjects are "Telephone Surveys" and "Guides for Interviewers, Tabulators and Analysts."

CONOVER NAMED CHAIRMAN

A. W. Conover, A. G. A. first vice-president, has been named chairman of Equitable Gas Co. and Donald B. Beecher, vice-president and general manager, was named president.

STACKPOLE ON COUNCIL

C. S. Stackpole, A. G. A. managing director, has been elected a director of the newly-organized Home Improvement Council which will direct promotional and public relations activities in the \$15 billion home repair-remodel field.

SURVEY SHOWS PR GROWTH

An industry-wide survey reveals that 94 gas companies have active public relations programs, or nearly double the number with organized PR programs two years ago. Figures are based on replies from 192 companies. During the same period, support for the PAR Public Information Program also has risen sharply (from 92 subscribing companies in September, 1955 to 122 companies in September, 1957).

PRESIDENT

R. W. Otto, chairman of the board, Laclede Gas Co., St. Louis, Mo.

FIRST VICE-PRESIDENT

A. W. Conover, president, Equitable Gas Co., Pittsburgh, Pa.

SECOND VICE-PRESIDENT

J. T. Wolfe, president, Baltimore Gas and Electric Co., Baltimore, Md.

TREASURER

***V. T. Miles**, treasurer, Long Island Lighting Co., Mineola, N. Y.

RETIRING PRESIDENT

C. H. Zachry, president, Southern Union Gas Co., Dallas, Texas. (Automatically became a director upon completion of his term as Association president)

DIRECTORS—elected for two-year terms

***Philip E. Beckman**, vice-president in charge of gas operations, Pacific Gas and Electric Co., San Francisco, Calif.

Sheldon Coleman, president, The Coleman Co., Inc., Wichita, Kan.

Clifford V. Coons, executive vice-president, Rheem Manufacturing Co., New York, N. Y.

***R. E. Crawford**, president, Minnesota Valley Natural Gas Co., Minneapolis, Minn.

R. E. Ginna, president, Rochester Gas and Electric Corp., Rochester, N. Y.

H. Hansell Hillyer, chairman of the board, president and general manager, South Atlantic Gas Co., Savannah, Ga.

***Chester L. May**, senior vice-president, Lone Star Gas Co., Dallas, Texas.

S. H. Nichols, president, Iroquois Gas Corp., Buffalo, N. Y.

***Ed Parkes**, president, United Gas Pipe Line Co., Shreveport, La.

***John C. Parrott**, president, Roanoke Gas Co., Roanoke, Va.

***John C. Peterson**, president, The Manufacturers Light and Heat Co., Pittsburgh, Pa.

***E. H. Smoker**, president, The United Gas Improvement Co., Philadelphia, Pa.

Henry Tuttle, president, Michigan Consolidated Gas Co., Detroit, Mich.

S. D. Whiteman, president, Kansas-Nebraska Natural Gas Co., Hastings, Neb.

***D. K. Yarath**, president, Northwestern Utilities Ltd., Edmonton, Alberta, Canada.

Officers, Section leaders are elected



New A. G. A. officers get together in St. Louis. They are (l. to r.) V. T. Miles, treasurer; J. T. Wolfe, second vice-president; and R. W. Otto, president. First Vice-President A. W. Conover was unable to attend

ACCOUNTING SECTION

Chairman—D. W. Peterson, secretary and treasurer, Minneapolis Gas Co., Minneapolis, Minn.

Vice-Chairman—J. Gordon Ross, manager of service and customer relations, Rochester Gas and Electric Corp., Rochester, N. Y.

GENERAL MANAGEMENT SECTION

Chairman—J. H. Wimberly, president, Houston Natural Gas Corp., Houston, Texas.

Vice-Chairman—Marvin Chandler, president, Northern Illinois Gas Co., Aurora, Ill.

INDUSTRIAL AND COMMERCIAL GAS SECTION

Chairman—Roy E. Wright, director of gas sales, NEGEA Service Corp., Cambridge, Mass.

Vice-Chairman—F. T. Brooks, sales manager, Industrial sales department, Philadelphia Electric Co., Philadelphia, Pa.

OPERATING SECTION

Chairman—V. F. Bittner, assistant chief technical engineer, The Peoples Gas Light and Coke Co., Chicago, Ill.

Vice-Chairman—H. C. Jones, gas engineer, New England Electric System, gas division, Malden, Mass.

Second Vice-Chairman—J. T. Innis, vice-president in charge of operations, Northern Natural Gas Co., Omaha, Neb.

RESIDENTIAL SECTION

Chairman—A. G. Bur, vice-president in charge of sales, Wisconsin Public Service Corp., Green Bay, Wis.

Vice-Chairman—T. H. Evans, vice-president of sales, Equitable Gas Co., Pittsburgh, Pa.

* Re-elected



Gas leaders seek industrial

With an eye toward the plush market of the future, gas leaders attending the 39th annual American Gas Association Convention in St. Louis, October 7-9, vowed to strengthen unity among all segments of the industry.

Retiring President Clare H. Zachry in his opening address called for unity among the production, transmission, distribution and appliance manufacturing segments, and predicted that by 1967, gas would be serving four out of five Americans.

"At the present rate of growth, we can expect to add about one million meters a year," he declared, and noted that today, the industry is serving three out of four Americans.

"America is in a continuing revolution, and the gas industry is right in the middle of it," Mr. Zachry said. "Since the end of World War II, our methods, our standards, and our mode of living have undergone basic and fundamental changes, the results of which are affecting every living American," he told the 2,500 persons attending the convention.

He said the gas industry has made important contributions to this revolution in our way of life through the many advances the industry has brought to the American public.

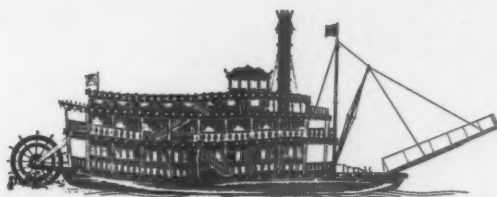
"The gas industry has a capital investment of \$20 billion, ranking fifth among American industries today," he declared. He said the industry will need to invest an additional \$5 billion in the next three or four years, and by 1961, it will have at least \$25 billion at work. He believes the industry's annual income should reach \$1 billion by 1967.

A report of the 1957 General Nominating Committee was made at the opening General Session by Howard B. Noyes, committee chairman, and senior vice-president, Washington Gas Light Co., Washington, D. C.

New officers were elected following Mr. Noyes' report. They are: President—Robert W. Otto, chairman of the board, Laclede Gas Co., St. Louis; first vice-president—A. W. Conover, chairman, Equitable Gas Co., Pittsburgh; second vice-president—J. Theodore Wolfe, president, Baltimore Gas and Electric Co.; and treasurer—Vincent T. Miles, treasurer, Long Island Lighting Co., Mineola, N. Y.

Originally, Mr. Conover had been nominated to succeed Mr. Zachry as president, but illness prevented his accepting the top A. G. A. post at this time. Mr. Otto, slated to become first vice-president, was chosen to assume the presidency.

In his acceptance speech, Mr. Otto expressed great regret that Mr. Conover was ill, and said his hope was that "I will



*Retiring President Zachry predicts industry
will have \$25 billion total capital investment
by 1961, \$1 billion income by 1967*

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"I will

MONTHLY

be able to perform the kind of job I know Mr. Conover would have done." The new A. G. A. president said he favored an accelerated program of research, especially in the field of gas air conditioning. He said he would make every effort throughout the Association year to bring each segment of the industry into closer unity.

A. G. A. Treasurer Vincent T. Miles reported that the treasury currently is enjoying a healthy condition.

General Session speakers in addition to Mr. Zachry were: James F. Oates Jr., president and chief executive officer, Equitable Life Assurance Society; Mrs. Denny Griswold, editor and publisher, *Public Relations News*; Julius Klein, president of the Gas Appliance Manufacturers Association and president, Caloric Appliance Corp.; J. J. Hedrick, president, Independent Natural Gas Association of America, and president, The Peoples Gas Light and Coke Co. of Chicago; and J. C. Hamilton, president, Arkansas-Louisiana Gas Co.

James F. Healy, a Harvard University associate professor of industrial relations, had been a scheduled General Sessions speaker, but was unable to appear due to illness.

Excerpts of each General Sessions speech except Mrs. Griswold's appears elsewhere in this issue. Copies of Mrs. Griswold's talk have been mailed to gas industry executives.





President Zachry greets Mrs. America (Mrs. Linwood Findley) who spoke briefly at the General Sessions



Leading the opening General Session were (l. to r.): Vincent T. Miles, J. Theodore Wolfe, C. S. Stackpole, Harold S. Walker Jr., Robert W. Otto, and Clara H. Zachry



On stage during the third General Session were (l. to r.): C. S. Stackpole, Mrs. Denny Griswold, J. J. Hedrick, Rabbi Grollman, H. S. Walker Jr., and C. H. Zachry

Mrs. Griswold reviewed the history of public relations and praised the gas industry for its active interest in this important profession. "I want to commend the industry for its enlightened public relations policy of self-regulation, and for the cooperation within the industry where all segments are working for a common goal," she said.

She also praised A. G. A.'s Public Information Bureau for its "excellent activities which have been prepared and guided by the public information director, James M. Beall, and his public information staff."

Other General Sessions' highlights included the introduction of Mrs. America of 1958 (Mrs. Linwood Findley of Arlington, Virginia) and Miss Julia Meade, the gas industry's television hostess on *Playhouse 90*, and the presentation of the industry's Distinguished Service Award to Leon Ourusoff, assistant to the senior vice-president, Washington Gas Light Co.

Nine achievement awards were presented by President

Zachry at Section meetings (see award story on page 10). Two were presented for the first time, the Public Relations Achievement Award and the Industrial and Commercial Achievement Award.

The Accounting, Industrial and Commercial, Residential, and Operating Sections held meetings during the first two days at Kiel Auditorium, site of the convention. In addition, the annual Home Service Committee breakfast enjoyed a capacity attendance, and more than 400 persons attended the annual joint luncheon sponsored by the Industrial and Commercial Gas Section and the Residential Gas Section. Details of these meetings appear elsewhere in this issue.

The General Management Section held its annual luncheon meeting October 8 in the Hotel Coronado Ballroom. More than 200 persons attended. Dr. Ezra Solomon spoke on "The Current Inflation." Excerpts of that talk and photos of the meeting begin on page 29.

Retiring General Management Section Chairman Leslie A.



President R. W. Otto pledged support for gas industry unity



J. F. Oates said insurance and gas industries' responsibility similar



GAMA President Julius Klein spoke at the General Session October 8



To get our share of the future, J. J. Hedrick sees "plain work ahead"



the industry can expect in gas was told by J. C. Hamilton



The financial health of A. G. A. is excellent, Vincent T. Miles said



Julia Meade was charming as always in her General Sessions appearance



Howard B. Noyes gave report of the 1957 General Nominating Committee

Brandt, vice-president, The Peoples Gas Light and Coke Co., presided. Elected chairman for the coming Association year was John H. Wimberly, president, The Houston Natural Gas Co. Marvin Chandler, president, Northern Illinois Gas Co., was elected vice-chairman.

President Zachry presented the new A. G. A. Public Information Achievement awards and the A. G. A. Safety Achievement awards at the General Management Section luncheon.

During a special executive session, F. M. Banks, president and general manager, Southern California Gas Co., and a former president of the American Gas Association, was elected chairman of the 1958 General Nominating Committee.

Other members elected are: J. R. Cole, vice-president, Southern Union Gas Co., Santa Fe, N. M.; H. R. Derrick, president, Laclede Gas Co., St. Louis; Buell C. Duncan, president, Piedmont Natural Gas Co., Charlotte, N. C.; E. H. Eacker, president, Boston Gas Co., Boston; H. A. Eddins,

president, Oklahoma Natural Gas Co., Tulsa; W. G. Hamilton Jr., president, American Meter Co., Philadelphia; Dale B. Otto, president, New Jersey Natural Gas Co., Asbury Park, N. J.; R. W. Ramsdell, president, The East Ohio Gas Co., Cleveland; and Harold S. Walker Jr., secretary, American Gas Association, New York.

One of the highlights of the convention was the "Shoulders to the Wheel" luncheon which explored ways and means of furthering gas industry unity. Four speakers representing the production, transmission, distribution and appliance manufacturing segments addressed a capacity audience. They were: C. H. Murphy Jr., president, Murphy Corp., for production; Paul Kayser, president, El Paso Natural Gas Co., for transmission; Marvin Chandler, president, Northern Illinois Gas Co., for distribution; and Stanley H. Hobson, president Geo. D. Roper Corp., for appliance manufacturing. Details of this meeting begin on page 18.

Between sessions delegates visited the Parade of Kitchens

ASSOCIATION



President Zachry (l.) poses with regional gas association presidents and representatives at a General Session meeting. Mr. Zachry praised these sectional gas leaders for their outstanding contribution to the industry

and Laundries on display in the Convention Hall of Kiel Auditorium. The New Freedom Gas Kitchens and Laundries were designed by such publications as *American Home*, *McCall's*, *Family Circle*, *Ladies' Home Journal*, *Parents' Magazine*, *Woman's Day*, *Good Housekeeping* and *New Homes Guide*.

President and Mrs. Zachry and officers of A. G. A., INGAA, and GAMA, and their wives were honored at the President's Reception October 7 in the Khorassan Ballroom of the Chase Hotel. The reception was followed by entertainment and dancing. About 2,000 persons attended the reception and entertainment.

The ladies attending the convention were entertained October 7 with a tour of Shaw's Gardens, famous St. Louis landmark noted for its beautiful flowers and gardens. On

October 8, they attended a ladies' luncheon and a style show entitled *Holiday in Fashion* in the Gold Room of the Hotel Sheraton-Jefferson.

The success of the Convention was due in large part to members of the following committees:

General Convention Committee, which planned and organized the program, Robert W. Otto, chairman.

Entertainment Committee, which organized the President's Reception, Entertainment and Dance, Ladies' Luncheon and Style Show, and Shaw's Garden tour, R. J. Vandagriff, Laclede Gas Co., chairman.

General Nominating Committee, Howard B. Noyes, senior vice-president, Washington Gas Light Co., chairman.

Committee for Ladies' Luncheon and Style Show, Mrs. Clare H. Zachry, Dallas, Texas, chairman.

Mrs. C. H. Zachry (r.) was chairman of the Ladies Committee for the Ladies Luncheon, Style Show and ladies' entertainment. With her are wives of A. G. A., GAMA, and INGAA officers and Mrs. America and Miss Julia Meade



Gas cooling challenge is cited

J. Theodore Wolfe, president of the J. Baltimore Gas and Electric Company, and the new second vice-president of the American Gas Association, beams with optimism when you mention summer air conditioning with gas.

"It's the greatest challenge the gas industry has ever known, and represents the most wonderful opportunity facing the gas industry today," he told 400 members of the Industrial and Commercial and Residential Gas Sections during their annual joint luncheon at the convention.

"Summer cooling with gas offers a large and profitable load," he said, "and in most cases, the load is available without added investment. The potential market is tremendous."

Mr. Wolfe pointed to the 150,000 central air conditioning installations sold in 1956, and said that the gas industry got only two per cent of the market. He estimated that 250,000 will be sold in 1957 and by 1961, it is expected that sales may reach 600,000. "The market and challenge are certainly there," he stated.

Referring to a survey made ten years ago, Mr. Wolfe said that in the average home using gas for heating, cooling, cooking, water heating and refrigeration, the cooling load represents from 20 per cent to 60 per cent of the total.

Figures for five major cities were:

Chicago, 19 per cent
Pittsburgh, 24 per cent
Cincinnati, 25 per cent
Los Angeles, 54 per cent
Houston, 60 per cent

What is the gas industry doing to meet this challenge? Mr. Wolfe said that the A. G. A. PAR Program has dedicated \$775,000 to air conditioning research. Manufacturers also are conducting their own research programs, and the industry generally is aggressively engaged in the development of many kinds of air conditioning equipment.

J. T. Wolfe told joint luncheon guests future of gas air conditioning offers great challenge



He listed six steps that the individual utility can follow. They are:

1. Recognize the challenge of the air conditioning load.
2. Subscribe to PAR-basic research program, supplemental air conditioning program, and the promotion and advertising program.
3. Cooperate as requested by manufacturers in their field testing programs and be willing to spend some money on it.
4. Establish summer rates for cooling if and when the need arises.
5. Abandon or revise any policies that stand in the way of effective distribution and sale of air conditioning equipment. Be willing to buy direct from manufacturers and sell to builders and home owners. Limit the markup to bare handling costs. Install and service air conditioning equipment.

6. Get busy and sell. Not in 1959 or 1960 when we may have a dozen or more types or makes available, or when the particular type you are waiting for comes along, but now.

Mr. Wolfe ended his talk on this note: "Every month, every year that passes without an aggressive program of selling the public on gas for air conditioning will make the job more difficult." And that was the theme of his talk—*Time's A-Wastin'*.

The joint luncheon was held in the Ivory Room of the Sheraton-Jefferson Hotel. It was presided over by J. Robert Delaney, chairman, Industrial and Commercial Gas Section, and W. D. Williams, chairman, Residential Gas Section.

A. G. A. President C. H. Zachry attended the luncheon and presented the A. G. A. Home Service Achievement Awards and the Industrial and Commercial Achievement Award.

Distinguished Service

C. H. Zachry (r.) presents award for leadership in domestic, commercial, industrial gas utilization research to L. Ourusoff, Washington Gas Light



Accounting Merit

C. H. Zachry congratulates who now join the Order of Accounting Merit. They are (l. to r.) Peterson, J. R. Wegor,



Home Service

Five home service women (two were unable to accept awards in person) received Home Service Achievement plaques donated by "McCall's"



Special recognition is given to individuals and companies who have made outstanding contributions to the industry

Awards presented for top achievements

A carefully executed industry award program accomplishes two important purposes: It honors those who have performed outstanding work, and it encourages future contributions to industry progress. Recognizing this, the American Gas Association has continued its award program, selecting as award winners those men and women who—on the basis of rigid requirements—have made superior contributions to the gas industry.

Winners were presented awards at the annual A.G.A. Convention by Clare H. Zachry, outgoing president of A.G.A., and president of the Southern Union Gas Co.

Winner of the Distinguished Service Award for outstanding contributions to the gas industry was Leon



Industrial-Commercial

Winner of first annual Industrial and Commercial Achievement Award sponsored by Moore Publishing Co. is Edward V. Fineran of Washington Gas Light



ating Merit

14 of the 25 men judged
"made continuous contribu-
tions to the welfare of the indus-
try and the public which it serves"



Distribution

Sidney E. Trouard of New Orleans Public Service earned American Meter's award for greatest contribution to science and art of gas distribution

Ourusoff, assistant to the senior vice-president, Washington Gas Light Co. Mr. Ourusoff received this special citation for his "leadership in the fields of domestic, commercial, and industrial gas utilization research, especially in fostering new and practical policies for encouraging air conditioning research and development by manufacturers and effectively coordinating these activities with related PAR Research." In presenting the award, Mr. Zachry added that "This has brought about a two-fold or more increase in total industry research and development efforts in the vital field of gas air conditioning."

Ourusoff, assistant to the senior vice-president, Washington Gas Light Co. Mr. Ourusoff received this special citation for his "leadership in the fields of domestic, commercial, and industrial gas utilization research, especially in fostering new and practical policies for encouraging air conditioning research and development by manufacturers and effectively coordinating these activities with related PAR Research." In presenting the award, Mr. Zachry added that "This has brought about a two-fold or more increase in total industry research and development efforts in the vital field of gas air conditioning."

Sidney E. Trouard, electrolysis engineer of New Orleans Public Service Inc., was the winner of A.G.A.'s Dis-

tribution Achievement Award, sponsored by the American Meter Company. The award consists of an engraved watch and a cash prize of \$1,000, presented annually to the individual judged to have made the outstanding contribution to the science and art of gas distribution in the past year or in the past five years.

Mr. Trouard began, a quarter of a century ago, to apply cathodic protection to his company's distribution, at a time when most gas utilities considered corrosion to be a "necessary evil." The data he collected as a result of that installation were widely publicized to the gas industry.

As chairman of the Operating Section's Corrosion Committee, he impressed management with the benefits

of a corrosion control program. As a result, most gas utilities today have effective corrosion control programs for their distribution systems.

Two new awards, covering the industrial-commercial and public relations fields of activity, were presented for the first time this year.

The Industrial and Commercial Achievement Award, sponsored by Moore Publishing Co., publishers of gas trade magazines, will be presented annually to the A.G.A. member gas company employee who has made an outstanding personal contribution to the gas industry which has enhanced the use of gas for industrial and commercial applications.

The award consists of a certificate and \$500. Selected as winner for this



Public Relations

Above, C. H. Zachry presents winning trophy to Southern California Gas, represented by F. M. Banks and F. C. Sullivan. At right, merit trophies are awarded to (top to bottom): R. H. Willis, Lake Shore Gas; H. R. Derrick, Laclede; E. D. Bivens, Ohio Fuel



year is Edward V. Fineran, industrial sales manager of the Washington Gas Light Co. Mr. Fineran has served the Industrial and Commercial Gas Section as chairman of the Equipment Improvement Committee and the Food Service Equipment Committee. The judges cited him specifically for his leadership in sales campaigns to promote commercial cooking, and because he has allied the food service and gas industries through his chairmanship of a joint committee of A.G.A., the Gas Appliance Manufacturers Association, and the National Restaurant Association.

First-place winner of the new Public Relations Achievement Award is the Southern California Gas Co. Southern California was selected as having made "the year's outstanding contribution to greater understanding of the gas industry and modern gas service." The utility also received honorable mention for its second entry in the contest. Its winning program, "Facts About Natural Gas," stresses the safety and cleanliness of natural gas, and has gained nationwide recognition. Its training film, "Emergency Control of Natural Gas," is helping thousands of firemen to give accurate information to reporters who respond to emergency incidents. A second part of the program features an entertaining live demonstration of the properties of natural gas, particularly the fact that it is odorless, non-toxic, and lighter than air. This demonstration has been presented 259 times in schools and service clubs—an accumulated audience of 16,596 persons.

In presenting the award, Mr. Zachry announced that because of the general excellence of the 33 entries, the judges had also selected three companies to win Public Relations Achievement Merit Citations, and six companies to win Honorable Mentions. Citations were earned as follows.

Laclede Gas Co. was cited for its public relations program on underground storage. This program—a five-year public, community, and legislative educational program—won wide support for a vital underground storage project only seven miles from St. Louis.

The Lake Shore Gas Co. was cited for its "ABC's of Utility Rates and Financing" program, which is a grass

(Continued on page 45)



Safety

Shown are representatives of eight of the 13 companies which had the lowest accident frequency rate of all Association member companies as classified by number of employees and type of operations into 13 different categories

Sales may double in next decade

We are living through a revolution that has been under way for several years and will probably continue in the immediate years ahead. Even though it is not a war-like revolution, it is nevertheless a revolution in every sense of the word. You might well call it a "standard of living revolution."

Since World War II, our method, our standard, and our mode of living have undergone some basic and fundamental changes, the results of which are affecting every American. Those things which were considered a luxury in the American home 20 years ago have become the commonplace—almost the necessity, if you will—and it has all added up to the finest standard of living man has ever known. Consider the automatic dishwasher, the disposal, the clothes dryer, high speed water heaters with two different water temperatures, refrigerators that make ice cubes without trays, built-in ovens and top burners with a brain, and year-around air conditioning. Out of the laboratories are emerging prototypes of other products which will doubtless add immeasurably to our physical comforts in the not-too-distant future.

We are all aware that the American Gas Association has made important contributions to this revolution. The ever widening use of gas in the homes, shops and industry attests to that contribution. It is also evident that our industry is highly challenged today to exercise an even greater influence on the continuing revolution for finer living standards for every American.

In the face of this challenge—as well as opportunity—the one thing that our industry cannot afford to do is fall asleep in the midst of the revolution. Viewed realistically, it can be said that the gas industry is in the middle of this continuing revolution. We have grown because we have been willing to find better ways to serve an ever-growing number of customers. Our objective must be to continue to improve this service—to continue to manufacture better equipment and appliances—to continue to sell our service and our appliances to more customers—to the end that we are not only meeting but beating our competition, which, it must be remembered, is also playing a major role in this revolution.

Size alone is never adequate proof of success. But solid and successful expansion is proof enough. In recent years, growth has been the keyword for every

segment of the gas industry and in the continuing revolution our horizons are limited only by our vision.

An axiom of our business is that our prosperity is in direct proportion to our ability to serve the public interest. Today, the gas industry is serving approximately three-fourths of the 170 million people in the United States. We can expect to add about one million meters a year, which means that in 1967 we should be providing gas service to four out of every five persons in this country. Incidentally, the growth in the utilization of natural gas is truly startling. In 1946 natural gas sales in this country equaled 23 billion therms. In 1956 natural gas sales totaled 70 billion therms, or 96 per cent of all gas consumed. The volume of natural gas consumption thus tripled in the short space of a decade.

The gas industry's expansion has called for the expenditure of vast sums of money. Today our industry has nearly \$20 billion in capital investments. This places us in fifth position from an investment standpoint with other American industries, preceded only by the electric light and power, railroad, petroleum refining and telephone industries.

To meet present and anticipated demands, our industry will need to invest another \$5 billion in the next three or four years. By 1961 we can expect to have some \$25 billion at work.

Optimistically, we should be able to double our sales in the next ten years and this should result in an industry annual net income of better than \$1 billion by 1967.

The prosperity of the membership of this Association has had a direct relationship to the prosperity that has blessed our country. In the same way, the prosperity of our membership is related to the prosperity of each branch of the industry. By working together we have shared in the growth and prosperity of our nation.

We are interested in the gas industry as a whole. We have come to the realization that we are all affected by any problems concerning discovery, production, transmission, distribution, manufacturing, research, marketing and sales promotion.

Recently I was privileged to speak at the Independent Natural Gas Association of America meeting in Houston, Texas. I made a statement there which I would like to repeat because I think it is important:



By CLARE H. ZACHRY

President, American Gas Association
President, Southern Union Gas Co.

"I believe that, due to the earnest efforts of a number of people, it is an accepted fact that a greater spirit of unity prevails in the industry today than it did two years ago. Today's attitudes toward working out legislative problems directly affecting the producers, but indirectly all of us, reflect, I think, a far greater readiness on the part of each segment of our industry to understand the problems of the others.

"I am convinced that every part of our industry is in basic agreement that economic freedom under private enterprise is not only the best system but the only system that insures full production, growth and opportunity. It seems to me that there is a general realization that proper incentive for producers to undertake exploratory and drilling risks is a necessity, will ultimately result in greater gas reserves, and will hold prices at a reasonable level. Furthermore, I believe that all branches of the industry are willing to recognize the interests of the consumer, despite honest differences of opinion as to how this should be accomplished."

This growing spirit of unity and understanding is providing new vigor and vitality to the entire gas industry, and is

a necessary ingredient to our future progress.

I am confident that every one of us is united in the determination that exploration for new discoveries must continue unabated. The entire gas industry, as it is constituted today, is dependent on a continued and uninterrupted flow of natural gas.

With natural gas production last year reaching an all time high of 11 trillion cubic feet, the industry was still able to add 14 trillion cubic feet to future reserves. We started in 1957 with a backlog of 238 trillion cubic feet in proven reserves, but with the growing demand for our product these reserves must be supplemented year by year.

And what about gas still to be discovered in the United States? What can we expect in the future? Well, one estimate—by the U. S. Bureau of Mines—puts the total available remaining supply of natural gas in our country at 850 trillion cubic feet or more, meaning that more than 600 trillion cubic feet remains to be discovered and developed.

An even larger estimate was made recently by officials of the Chase Manhattan Bank. Vice-President Lyon F. Terry and economist John G. Winger con-

cluded a long-range study of gas reserves with this statement: "The supply from presently proved reserves and from future discoveries in the United States, including offshore production, will exceed 1,200 trillion cubic feet." They also estimate that, "at least 80 per cent of the supply of gas needed for the future progress of the industry consists of gas yet to be discovered."

These estimates should provide a positive answer to any question concerning our industry's ability to meet future demands for natural gas as an energy source.

Now, what is the role that we are to play in the unfolding changes in the American way of life? What is our common purpose? I believe you will find it spelled out clearly in the first paragraph of the constitution of the American Gas Association: "To promote and develop the gas industry and to coordinate its activities to the end that it may serve to the fullest possible extent the best interests of the public."

One of the means by which we are trying to fulfill this purpose is through an activity that receives very little publicity. I am speaking of the work of the

(Continued on page 46)

Meet your Association staff



S. F. Wikstrom

"Just a little bit of everything" is the way S. F. Wikstrom describes his duties. But if you've ever worked with him, you know that it's that and then some. He directs the P (Promotion) and the A (Advertising) of A. G. A.'s gigantic PAR Plan, putting to gas industry use his year-round built-in duomatic combination—outer calm and inner vitality.

A look at the three photos on his office bulletin board gives you a good idea of his latest major projects. There's a photo of Mrs. America—"She draws the homemaker vote for gas." And one of Julia Meade—"She and 'Playhouse 90' put the gas industry on the map permanently." And one of Bing Crosby—"He's joining with us on the strongest gas promotion ever. . . . Working out that contract with Bing was the biggest thrill in my entire business career."

In organizing and supervising campaigns, Mr. Wikstrom is carrying out the directives of the General Promotional Planning Committee. As secretary of the committee, he travels a great deal, averaging over a thou-

sand miles a week. This figure doesn't, of course, include commuting to the city from his home in Syosset, Long Island. He lives there with his wife, and teenage son and daughter, and spends his spare time either golfing or fishing—"Although I'd probably do better clubbing fish and reeling out golf balls."

Mr. Wikstrom hasn't always been a Syosset-ite. Before coming to New York in 1943 to handle the Mrs. America contest, he was an A. G. A. representative in the Southeast. Before that, he was general sales manager of the Mississippi Gas Company, and before that, head of dealer and builder activities in one of his native state's utilities—Alabama Gas Company.

Previous to his 16 years in the gas industry, he was in the food industry. As a food man, then, what is his favorite restaurant?

"That's easy to answer. Maw Hawkins' in Dublin, Georgia. For 65¢ she gives you as much as you can eat of out-of-this-world black-eyed peas, turnip greens, and corn bread."



Mrs. America and Julia Meade admire Tappan's new flame-kissed rotisserie in a model kitchen designed by "American Home"



Mrs. America (Mrs. Lindwood Findley) examines the Hardwick ovens while in the Youngstowne kitchen designed by "McCall's" magazine

PARADE of KITCHENS

It's easy to add on to this kitchen designed by "American Home" magazine



Here is the "Parents'" magazine designed kitchen called a Party Pantry kitchen. It's built by American Kitchens



This kitchen by "Woman's Day" featured an "Oriental accent"



Strength in unity

By JULIUS KLEIN

*President, GAMA
President, Caloric Appliance Corp.*

The most pertinent personal observations made during my term as president of the Gas Appliance Manufacturers Association are:

First, that the strength of the gas industry lies with its ability to work together as a cohesive, cooperative unit; and

Second, that all of the gas industry's assets, whether those of the utility or manufacturer, have their roots in unity.

We have our TV program, our magazine advertising, our promotional programs, our technical requirements, our industry research, and our ability to make ourselves heard. All of these reflect the fruits of collective endeavor, and all remain in existence because you accompany your efforts with your dollars.

If asked what I thought were the industry's chief weaknesses, I would qualify that answer by preceding it with this statement: "The gas industry is a progressive industry—look at the record." Then I would add: "Our industry has a penchant for hiding behind its record of progress—it tends to underestimate its competition. It tends to do its analyzing after, rather than before, the fact."

Yes, the gas industry is a progressive industry and it can have an unrestricted

future. But we will never realize the maximum benefit from the future if we allow our progress to be hobbled by a self-imposed ball and chain. We will never fully enjoy the bright promises of tomorrow unless we are universally strong and able to run, not walk, towards our objectives.

Progress is demonstrated by industry growth. Progress is a commodity which creates competitive envy. Not only does it sting competition into action, but if we take it at its face value, it creates complacency and blind spots. It gives us an imaginary place of refuge. It permits us to say: Why worry about gas cooking. Look at our over-all strength! Look at house-heating! Look at water heating! Look at our record!

The hiding places created by progress are both vulnerable and transparent.

Our future progress is reliant not on those who are convinced that gas is best, but on our ability to convince the unconvinced—whether he be consumer, dealer or builder. Our competition knows that, and if ever there was an all-out, across-the-board effort to convince the consumer, the dealer, and the builder that gas is not best, that time is now.

For example, the Oil Heat Institute
(Continued on page 42)

Cooperation essential

By J. J. HEDRICK

*President, INGAA
President, The Peoples Gas Light
and Coke Company*

The past year has been a good one in that the gas industry has learned to work together in a common cause. We have not relinquished our individual philosophies, rights or interests—rather we have recognized the problems attendant to each phase of the industry and in enlightenment arrived at solutions in the interest of all.

It is regrettable that the Gas Bill has not become law. As the members of Congress work on this Bill, they will learn that there is no solution to the problem in the sole interest of the producer, or the pipeliner, or the distributor or the consumer, and that the solution lies in the common interest.

Common understanding in our efforts is essential, for ahead lies rigorous competition from the electric industry for base loads, the oil industry for house heating loads, the oil and coal industry for industrial loads, and in the future, atomic power for the development of electrical energy.

Many of you, just as I, must have

been proud of being associated with the natural gas transmission industry as you read that it would spend an additional \$8 billion on expansion of facilities in the next eight years. The thought must have occurred to all of us—where is the money coming from? Well, it is coming from the same sources that all investment capital comes from—first from funds generated from within a company and the balance out of our individual savings. Unfortunately, we are not saving our money as fast as our expanding economy requires and the supply of money is not adequate to meet all the needs for modernization and expansion.

Since demand for money is large and the available supply is short, the cost—or interest—on borrowed funds is high. Those who lend this money are able to choose from among many who would like to borrow and they can impose conditions upon the loans, other than that a project be economically sound
(Continued on page 48)

The gas industry is engaged in providing needed services to the public. Likewise, the life insurance business has the same objective. Both industries are faced with governmental regulation and both are sensitive to monetary, fiscal and tax policies. Both industries have responsibilities and obligations to a large number of our population who make up our free enterprise system.

And yet, of course, while our broad objectives are the same, there are operational details in which our industries differ widely. To be specific, let us consider one particular aspect of the life insurance business which you in the gas industry are not confronted with.

In the life insurance industry, we are faced with the obligation of finding proper investments to guarantee the dollars to be paid on policyholders' contracts. Evidently the investment officers and their staffs believe in the gas industry. Since 1945 through Dec. 31, 1956 the actual increase in dollars invested in the gas industry by six life insurance companies is as follows:

1945—Pipeline company debt securities \$55 million.

1956—\$1,470 million. This increase is about 27 times the 1945 total.

The gas distribution company's debt securities:

1945—\$187 million.

1956—\$591 million (better than 3 times the 1945 total).

However, the 15 largest life insurance companies as of Dec. 31, 1956 owned \$1,902,876,000 of the pipeline debt securities and \$915 million of the gas distribution debt securities—a total of \$2,817,888,000. These 15 life insurance companies represent 72.3 per cent of the total assets of all life insurance companies. The gas company investment comprises 4.05 per cent of the admitted assets of these companies.

The gas industry can take pride in such a vote of confidence by the life insurance industry. For the insurance industry's record of meeting the claims of its policyowners is impressive affirmation of its investment judgment. The insurance industry's investment analysis is as objective as can be. The fact that a considerable portion of our assets is invested in gas companies indicates more than my words could ever do how well your industry measures up to the governing principles of American economic

(Continued on page 43)

Gas sound investment

By JAMES F. OATES JR.

President
Equitable Life Assurance Society

We have been aware of the inroads the electric utilities have made in our business, to some extent at least, for several years and have realized that gas air conditioning was the remedy. But the lack of an effective and efficient gas air conditioning appliance has, until recently, handicapped us severely.

We have been promoting and selling gas air conditioning for a long time. Several events have encouraged us to continue. In 1954, through a contract with a real estate developer, we installed Servel units in 320 newly constructed homes in the Broadmoor Subdivision in Little Rock, Arkansas. Most of the homes were equipped with the two-ton units. The machines were far from perfect—remember this was in 1954—and it required about a year, with assistance from the Servel factory, to put them into condition for efficient service. Since the initial difficulty comparatively little trouble has been experienced and they are now operating efficiently and dependably.

The revenue from this group of customers compared to that from homes of a similar size and construction without air conditioning has come up to expectations. Gas sold for summer cooling does not require any additional plant capacity; it utilizes the space, otherwise idle in the summer months, through which gas for heating is delivered during the winter months. This off-peak use almost doubles the return realized on the distribution property devoted to the service of this group of customers.

The most significant and encouraging development in the air conditioning situation was the improvement in the design of the Servel "Sun Valley" 3½ ton unit and the great improvement in the quality of the units manufactured during the last two years. Of the more than 2,500 Sun Valley units manufactured during the last two years, there have been only three failures.

During the latter part of 1956, after the Sun Valley unit was put on the mar-

(Continued on page 40)

Gas cooling role vital

By J. C. HAMILTON

President
Arkansas Louisiana Gas Company

Speakers tell how to achieve greater unity

The annual convention came to a close amid an appeal for continuing efforts to strengthen gas industry unity.

Representatives of the industry's four major segments—production, distribution, transmission, and appliance manufacturing—told a capacity audience at the "Shoulders to the Wheel" luncheon that to accomplish complete industry unity each segment would have to do its part to keep the gas industry growing.

The luncheon, highlight of the three-day meeting, was held in the Gold Room of the Sheraton-Jefferson Hotel.

In his final appearance as president of the American Gas Association, C. H. Zachry presided at the luncheon and introduced the speakers. They were: C. H. Murphy Jr., president, Murphy Corp., El Dorado, Ark., representing the producers; Paul Kayser, president, El Paso Natural Gas Co., El Paso, Texas, representing the transmission segment; Marvin Chandler, president, Northern Illinois Gas Co., Aurora, Ill., representing the distributors; and Stanley H. Hobson, president, Geo. D. Roper Corp., Rockford, Ill., representing the appliance manufacturers.

Entitling his talk "Partners in Profit," Mr. Murphy said that while he heartily approved the luncheon's theme, "Shoulders to the Wheel," he felt that the natural gas producer finds getting his shoulder to the wheel a bit difficult when the yoke of unsound federal regulation is around his neck. He pointed to the "blow of the Kerr Bill veto, the wallop of the Phillips case decision, and the veto of the Harris-Fulbright Bill" as major blocks in the path of the producers' efforts to provide 100 per cent unity.

"However," he said, "we must be partners in profit for our industry presents a wonderful flow of its product from the face of the producing sand right to the gas range."

But despite this unity, Mr. Murphy feels that there are many problems from the producers' point of view that need solving. Where does the producing member of this partnership stand today? "Out on a limb!" he stated. "Just as gas was becoming an object worthy of the producer's search, the confusion of federal regulation on this risk-taking business fell upon him," he said.

Mr. Murphy implied no criticism of the Federal Power Commission or the Courts, but he said that he believes the Courts "have fallen into the error that the uninterrupted flow of gas from the well to the home makes equal treatment of gas logical all along its journey."

He said the FPC is helpless because the law as now interpreted does not recognize what he termed the basic economic differences between public utilities providing service under franchise and the business of a producer, whether he be a major oil company, an independent wildcatter, or the producing subsidiary of a natural gas company.

"Reality is brought home by all this," he said, "for if you are going to price natural gas on a cost basis, then you must allocate to the gas its proper share of the jointly incurred cost for finding, developing, and producing the gas along with its associated oil."

Mr. Murphy said that the Phillips decision settled the question of required regulation of the price of gas in interstate commerce. He added that since some kind of regulation is required and since "we as partners cannot meet our responsibilities under the present situation, we must find an alternative method." He said the producers propose that a "reasonable market price" type of regulation will work and will be "best for all under the circumstances." He added that this type regulation, applied by the FPC, would not "exempt our partnership's producing prices from regulation."



Four segments of gas industry—production, transmission, distribution, manufacturing—pledge cooperation

The second speaker was Paul Kayser, president of El Paso Natural Gas Company. Speaking on the subject "Arteries of Progress," he traced the path of gas from the bottom of the well to the burner tip, emphasizing the continuing need for unity to accomplish such a great task.

"Each part of the industry is wholly dependent upon the other like the spans of a bridge," he said. "Consequently, it is necessary for each segment to understand the problems of the other."

He said there are two problems in the industry today that must be solved by cooperative effort. They are:

1. The pipelines and the distributors must understand that gas must be found before it can be produced. An expensive and risky exploration campaign is necessary if an adequate quantity of gas is to be provided for the consumer. To maintain this exploration, an adequate incentive of price at the well must be provided. In no other way in a free economy can the supplies be assured.

2. The pipeliners and the producers must understand that the distributor can be priced out of the market.

Mr. Kayser said that reconciliation of these two points are essential to the further sound development and continuing useful operation of the industry.

"The means for this reconciliation is the control and regulation by the FPC, but this control cannot be based upon the utility concept of a rate of return," he said.

The third speaker was Marvin Chandler, president of the Northern Illinois Gas Company. He compared the industry's four segments as the wheels to a wagon, and said that unity could be maintained only so long as each segment kept its shoulders in position and moved forward smoothly.

"Working in harmony is the only way to achieve complete unity," he said.

Mr. Chandler defined the distributors' job as being able to maintain now and ensure in the future an adequate supply

of gas, at a reasonable cost, and to deliver this gas to customers in the most efficient manner possible.

He reviewed what he considered the major problem of the distributor. On the question of supply, he said that quantity currently was not a problem, but that we shouldn't overlook the fact that the supply of natural gas will ultimately be reduced and eventually exhausted. He favored a continuation of vigorous efforts on the production of a substitute by coal gasification.

Mr. Chandler said there has been an increasing tendency for pipeline companies and distributors to enter the field of gas exploration and development. He felt that this was good practice because it was their obligation to help assure that gas supplies be discovered.

He said the distributor cannot view with alarm the rising cost of gas at the well and at the same time close his eyes to the rising costs of "our own operations."

"Our problem," he said, "is to exert

all our managerial talent to avoid any increase in that margin resulting from inflation and to develop new and better methods whenever practical in order to reduce it. In other words, we must keep our prices competitive."

Stanley Hobson, president of the Geo. D. Roper Corporation, was the final speaker. Asking through his topic, "What's the Score?" Mr. Hobson reviewed some of the problems of the appliance manufacturer, the greatest, he said, being that many utilities have abandoned active, dynamic merchandising. He felt that much of the industry is attempting to do a merchandising job cooperatively. He did not feel this wise in the face of oncoming competition from the electric industry.

Mr. Hobson suggested that the industry return to the old dynamic method of sales, or better still, adopt new methods which can supply to both utility and manufacturer positive sales results which compare favorably with the potential opportunities at hand.



The four "Shoulders to the Wheel" speakers talk over final luncheon plans with new President R. W. Otto (l.) and retiring President C. H. Zachry (2nd from l.). Speakers are (l. to r.) Paul Kayser, Stanley H. Hobson, Marvin Chandler, and C. H. Murphy Jr.

*Over 500 persons attend;
told of importance of working with young
people for sales of equipment*

Home Service breakfast has international theme



Home Service round table speakers were (seated l. to r.): Marjorie Chandler and Louise Bohn; (standing l. to r.): Mildred Clark, Patricia Huff, Margaret B. Doughty

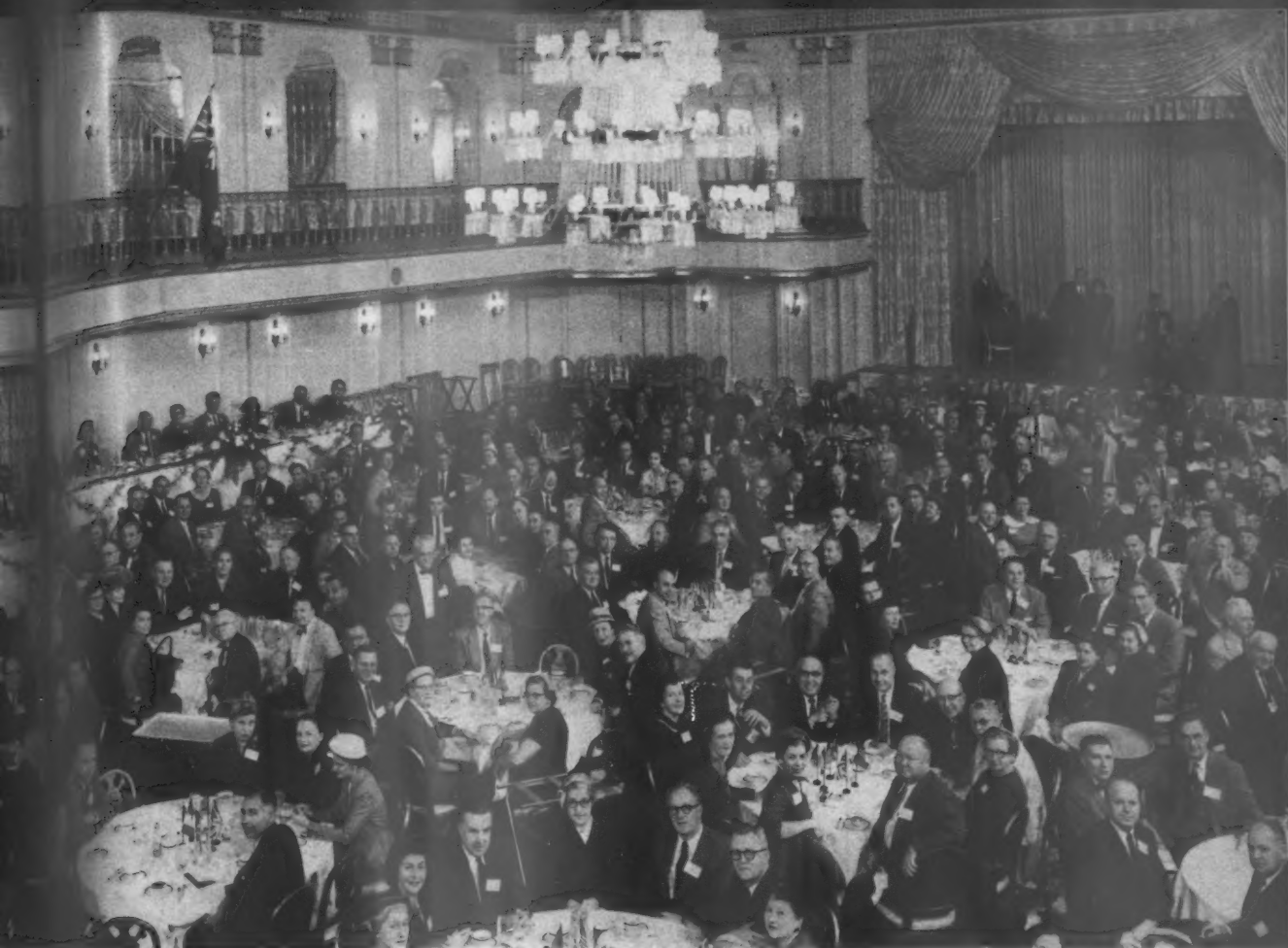


By JESSIE McQUEEN

*Home Service Counsellor
American Gas Association*

Canadian Marjorie Chandler, chairman of the American Gas Association Home Service Committee this year, presented an international head table in her introductions at the Home Service Breakfast in St. Louis, Oct. 8. International flags were used as table decorations and the orchestra playing during the serving interspersed many national songs in their program.

More than 500 persons were welcomed by Miss Chandler, home service director of The Consumers' Gas Company of Toronto. Officers of the Association were present and President C. H. Zachry and Managing Director



C. S. Stackpole extended greetings.

Indicating that the annual breakfast is one of the two top occasions of the year for the Home Service Committee, Miss Chandler emphasized the importance of the annual A. G. A. Home Service Workshop as a training course in equipment promotion and home service methods. She urged the gas company executives in the audience to send their home service representatives and sales people to the 1958 Workshop to be held January 6 to 8 in Minneapolis, Minnesota, at the Radisson Hotel.

Made available for the first time at the breakfast was *Home Service Home Calls*, a booklet prepared by the 1957 Committee. This third edition of a booklet used extensively in home service training features new developments in modern gas equipment, particularly the top burner heat control.

The principal speaker was Miss Bonnie Dewes of the D'Arcy Advertising Company in St. Louis. Miss Dewes is an account executive servicing Laclede Gas

Company. Her professional background of Little Theatre work, television and puppetry was evident in her dramatic presentation of the paper, "Helpo Bezoni," which she explained meant "help wanted" in the International Language.

She traced the interests of peoples and nations as they were affected by current conditions and economies. She stated, "In ancient times man was a local creature; today he is faced with the challenge of problems that affect the entire world. This is now a world in which all men are neighbors. Understanding of the common problems that face human beings everywhere gives us a chance to learn to look at our world with understanding." Quoting the opening scene of "Teahouse of the August Moon," she read, "... Deep desire to learn. Sometimes painful. But pain makes man think. Thought makes man wise. Wisdom makes life endurable."

It was Miss Dewes' aim to prove that work with young people is the goal for home service, for sales of equipment and

housing. She said, "No other youth generation has had so much attention, so much admonition, so many statistics. They've had more opportunities and more advice than any other generation. They'll *listen* to one tenth of the advice ... follow about a tenth of that ... and take advantage of most of their opportunities. They'll do better than we have done.

"... The birth rate is now running the largest in the history of the United States. This gigantic birth wave started after the Second World War. It has increased steadily with each succeeding year to the point that it was approximately 4,000,000 annually for the years 1954 through 1956.

"It doesn't take much, then," she continued, "to see that the middle-age group, to which the greatest amount of purchasing power has heretofore been attributed, is now, and will become even more so, the smaller purchasing unit. Combine these facts with the knowledge that the youth market is the market most

likely to need the greatest number of products, and you have an unbeatable selling formula."

Miss Dewes added, "To understand the potential of the youth market, we must stop thinking in terms of a mass of school children needing, perhaps, a wardrobe of clothes or a set of school supplies for the new school year. We can no longer follow the patterns of half a century ago when a sign in a store window calling attention to 'school supplies' was the only advertising to youngsters."

"The young housewife today is entirely a different girl from the one of the thirties. She's a different being from the housewife of just ten years ago. She is a young gal who has to buy a lot of things very fast. Since there is twice as much advertising today as back in the thirties, plus all the new products and brand names to learn, she has developed a knack of learning a little about many things instead of a lot about a few. But the basic wants of my *young* fair lady haven't changed since Eve . . . and never will."

"You know this . . . or else you would not be financing an educational program that is certainly a contribution to understanding."

"Your home service departments have been and are answering the *Helpo Bezoni* signs all over the country. . . .

"My deep appreciation to you gals, who know my fair lady . . . know that she wants to please her family . . . to

keep the family happy, healthy, together. That she wants her family to think of her and talk of her as the guiding hand, the good influence, the inspiration in their lives."

"And through your efforts—you members of the home service departments—the typical housewife has become more of a *creative chef* and less of a kitchen slave. She plans more carefully, buys more selectively, on the whole, than before. The new crop of homemakers tends to think in terms of such ideas as a meal's balance and color appeal."

News in promotion ideas as they are presented by home service in demonstrations, in schools, before women's groups, in large cooking schools, and particularly as they are presented to groups of dealers and builders was the central topic of the afternoon Round-Table held in the Sheraton-Jefferson Hotel on October 8. Miss Chandler presided and introduced four speakers.

Mrs. Mary Louise Bohn outlined the progress of the Junior Chef Blue Flame Contest conducted for the past two years in the Laclede Gas Company. In this annual competition among teenage students in city and county high schools, the first Saturday of each month brings together ten selected students from various schools who compete in a cook-off at the gas company. Two winners are selected each month, and in the final contest, awards of \$200 each in cash are made to the two top students. Equal cash

prizes are awarded to home economics departments of the winners' schools.

The monthly winners become honorary members of the Chef Blue Flame Club and the two annual winners become life members and are honored with the title of "Junior Chef Blue Flame."

"A Happy Washday to You" was a subject discussed by Patricia A. Huff of The Ohio Fuel Gas Company. Promotion of the gas dryer is carried out in this company through the follow-up call, through group demonstrations on the sales floors of dealers and company auditoriums.

A style show was presented in the large Gasco Food Institutes held each spring through the properties served by this company. The style show is made up of the latest fashions and easy-to-care-for clothes as an introduction to instructions on how the gas dryer performs in a home laundry. Miss Huff illustrated her talk with samples of dried garments, with little promotion gimmicks used in school programs, and with carefully laundered and dried large household items as pillows, blankets, corduroy bedspreads. She listed many things that can be done in promotion ideas on the dryer.

Continuing the display of promotion ideas, Margaret B. Doughty, of The Dow Chemical Company, discussed "News in Kitchen Plastics." She said that the plastics industry is probably the fastest growing in the country. In 1937, 315 million pounds of plastics were produced, and by 1956 this amount had increased to over 4,200 billion pounds, or 13 times more than in 1937. "Plastics are being used in every room in the home and they are changing our clothing habits as well."

Uses of plastic wall tile were shown in a series of slides and it was evident that the range of colors, durability, the ease of upkeep, light weight and reasonable cost for materials and installation will find them increasingly used in the New Freedom Gas Kitchens in the gas industry. Other plastics illustrated were plastic containers for ice cream and sherbets, for fresh produce and for fresh daily-prepared foods in the home. Plastic garbage pails, wash baskets and plastic hampers were on display and guests at the Round-Table were given boxes of Saran Wrap as they left the meeting.

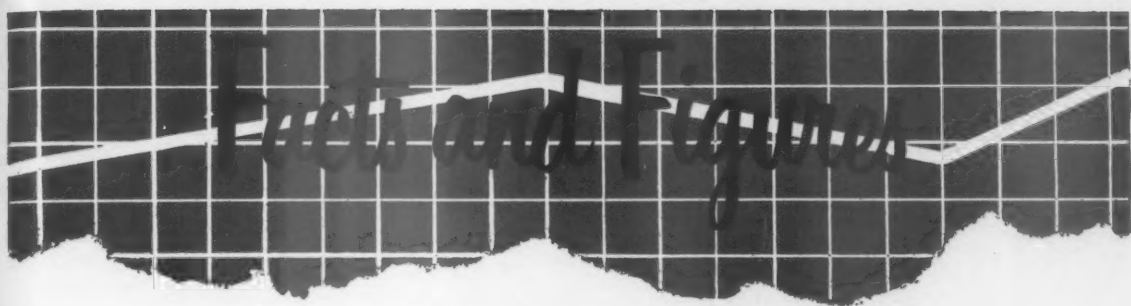
Full attention was given to the subject, "Home Service on the Midway," as presented by Mildred Clark of the Okla-

(Continued on page 41)

New Freedom Gas Home Committee meets



The New Freedom Gas Home Committee met during the A. G. A. Convention. Outgoing chairman of the group is Mildred R. Clark of Oklahoma Natural Gas Co. Incoming chairman is E. B. Orchard of United Gas Corp., and incoming vice-chairman is E. G. Playford of Columbia Gas System Service Corp.



Prepared by A. G. A. Bureau of Statistics

New homebuilding which spurred in August and showed signs of a continuing rise in the coming months did an about face in September when only 90,000 units were started. This was down 5.3 per cent from the 95,000 starts in August of this year, and down 4.3 per cent from the 94,000 units begun last September. The seasonally adjusted annual rate of private home building fell below the million mark to 990,000 units.

Gas appliance shipments have been and are continuing to reflect the lower homebuilding starts in the first nine months of this year. Data relating to gas appliance shipments are presented in the table at right.

The appliance data relate to manufacturers' shipments by the entire industry compiled by the Gas Appliance Manufacturers Association. Industry-wide electric appliance statistics are based on data compiled by the National Electrical Manufacturers Association and are reprinted by GAMA in its releases. Data relating to oil-fired burner installations are compiled by *Fuel Oil and Oil Heat*. Data on both gas and electric dryer shipments are released regularly by the American Home Laundry Manufacturers Association.

Total sales of the gas utility and pipeline industry to ultimate consumers during August 1957 aggregated 4,935 million therms, an increase of 5.5 per cent over August 1956 sales of 4,679 million therms. Sales of gas to industrial users increased from 3,470 million therms to 3,919 million therms, an increase of 12.9 per cent over last year. Industrial production, as measured by the Federal Reserve Board index was 145 (1947-1949 = 100), up 1.4 per cent over August of last year. The Association's August index of gas utility and pipeline sales is 228.3 (1947-1949 = 100).

SALES OF GAS AND ELECTRIC RESIDENTIAL APPLIANCES DURING SEPTEMBER

(WITH PER CENT CHANGES FROM THE CORRESPONDING PERIOD OF THE PRIOR YEAR)

	September		August		First Eight Months, 1957	
	Units	Per Cent Change	Units	Per Cent Change	Units	Per Cent Change
RANGES (including built-ins)						
Gas	197,400	— 4.4	182,600	—10.1	1,290,900	—11.0
Electric	n.a.	n.a.	85,800	—12.0	889,200	—19.4
WATER HEATERS						
Gas	217,100	— 0.5	210,300	—13.6	1,735,800	—12.3
Electric	n.a.	n.a.	60,500	—11.4	517,200	—16.2
GAS HEATING						
Furnaces	93,100	— 1.8	74,500	—25.3	435,900	—17.1
Boilers	15,200	— 4.4	12,300	+10.8	58,300	+ 7.0
Conversion burners	30,100	— 6.5	23,500	—19.2	88,300	—21.2
OIL-FIRED BURNER Installations						
Installations	78,050	—10.3	76,500	—11.2	361,178	—12.5
DRYERS						
Gas	n.a.	n.a.	39,300	n.a.	199,270	n.a.
Electric	n.a.	n.a.	77,300	n.a.	451,350	n.a.

GAS SALES TO ULTIMATE CONSUMERS BY UTILITIES AND PIPELINES DURING AUGUST

(MILLIONS OF THERMS)

	1957	1956	Per Cent Change
Month of August			
All types of gas	4,935.2	4,678.6	+ 5.5
Natural gas	4,842.7	4,574.4	+ 5.9
Other gases	92.5	104.2	—11.2
Twelve Months Ending August 31			
All types of gas	74,157.8	71,777.3	+ 3.3
Natural gas	71,875.6	68,338.5	+ 5.2
Other gases	2,282.2	3,438.8	—33.6
August Index of Monthly Utility Gas Sales (1947-49 = 100)	228.3	216.5	+ 5.5

PERTINENT BUSINESS INDICATORS, AUGUST

(WITH PER CENT CHANGES FROM CORRESPONDING PERIOD OF THE PRIOR YEAR)

	August			July		
	1957	1956	Per Cent Change	1957	1956	Per Cent Change
Industrial activity (1947-49 = 100)	145	143	+1.4	144	136	+5.9
Consumer prices (1947-49 = 100)	121.0	116.8	+3.6	120.8	117.0	+3.2
Housing starts, Non-farm (thousands)	95.0	103.9	—8.6	96.0	101.1	—5.0
New private construction expenditures (\$ million)	3,101	3,122	—0.1	3,039	3,107	—2.2
Construction costs (1947-49 = 100)	162.9	155.6	+4.7	163.1	153.7	+6.1

n.a. not available.

* **Give her an automatic GAS appliance** *
Name of Your Paper

Volume 1 1937 White Christmas Issue, Prepared by the Public Information Bureau, American Gas Association Number 1

BING AND THE GAS INDUSTRY WILL MAKE IT A WHITE CHRISTMAS

Look who's
 playing Santa
 this Christmas!



To Member Gas Companies
 A.G.A. and Bing Crosby will launch the biggest ever
 Christmas campaign in the history of the gas industry
 during November and December.
 To help you obtain maximum local publicity during the
 "Make It A White Christmas" "Give Her An Automatic
 Gas Appliance" promotion, we have prepared this helpful
 Gas Appliance supplement. Detailed suggestions on
 all GAS appliance equipment to assist in your own per-
 sonal appeal on page 6.
 May I also take this opportunity to extend to you and your
 family wishes for a very Merry Christmas and a Happy
 New Year!

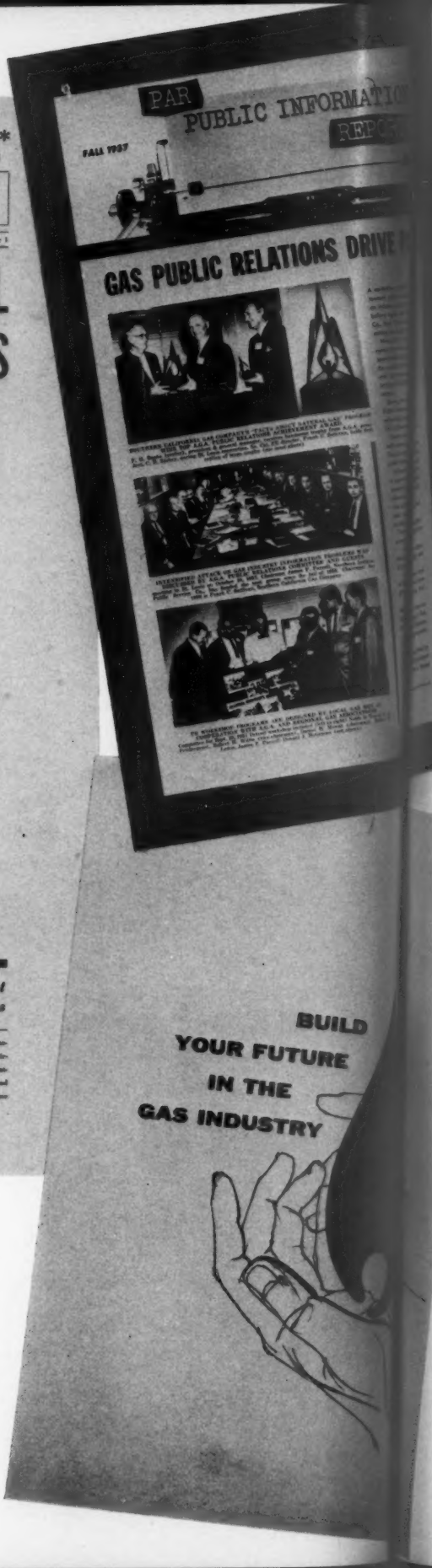
John M. Bassett
 Director—Public Information

**Use This ALL GAS Newspaper Supplement
 To Sell Gas Appliances This Christmas**

The Public Information Bureau in co-
 operation with the Promotion Bureau of
 the American Gas Association is happy
 to make this newspaper supplement
 available to all members of the gas
 industry who wish to participate in our
 national Christmas promotion.

Featured are Mr. White Christmas—
 Bing Crosby—and electric, fully auto-
 matic gas appliances for cooking, air-
 conditioning, home heating, water heat-
 ing, clothes drying, incineration and
 refrigeration. Details on page 6; see
 this section appear on page 6.

THE INCREASING SCOPE of the PAR Public Information Program
 is demonstrated by the new publications depicted here—the news-
 paper supplement reinforcing the Bing Crosby promotion, the
 recruitment and investment booklets telling the gas industry
 story, and the publication detailing the success of the drive
 to strengthen public relations programs of individual companies





The Public Relations Committee (shown in photo) and the General Public Information Planning Committee direct and implement the Public Information Program

Gas industry PR develops forward look

a PAR activity

The effective gas company public relations pro-

gram takes its cue from The Wonder Fuel itself. It operates quietly and efficiently, preferring to win public approbation by continuous public service, rather than by the vagaries of chance.

Therefore, the effective program necessitates careful planning by qualified personnel who are specifically assigned to public relations duties. More and more companies are becoming aware of this. According to the recently released PAR *Public Information Reporter*, 94 U. S. and Canadian Gas utility and pipeline companies have developed programs assigning specific responsibility for public relations action. This is nearly twice the number of two years ago.

Assisting companies in carrying out their public relations aims is the A. G. A. Public Information Program. This program is directed and implemented by the General Public Information Planning Committee, under the chairmanship of Thomas H. Evans, vice-president in charge of sales, Equitable Gas Company, and the Public Relations Committee, under the chairmanship of Frank C. Sullivan, public relations director, Southern California Gas Company.

In a report which appeared in the Oct. 10 issue of *Public Utilities Fortnightly*, Mr. Sullivan described the program's effectiveness in these words: "Never be-

(Continued on page 63)



*9th annual A. G. A. Accident Prevention Conference
sought new tools for educating workers in safe practices*

They crusade for employee safety



Otto said that management can safety if they will work for it



E. C. Baumann, committee chairman, was Conference's presiding officer



Members welcomed to Conference by Laclede President H. R. Derrick



J. A. DePew presented National Safety awards to winning companies

Ways of gaining employee enthusiasm for safety, and new tools for educating workers in safe practices, held the spotlight at the 9th annual A. G. A. Accident Prevention Conference held in St. Louis, Sept. 17 and 18.

The gas industry's campaign against employee injuries took on the dimensions of a crusade, as 137 delegates from 87 gas companies in 30 states and Canada traded ideas and armed themselves with new weapons to combat accidents. Proof of industry progress was evident in the presentation of awards to 73 distribution and pipeline companies for reducing injuries 25 per cent or more in the past year. Such company

safety records have helped the gas industry cut its over-all injury rate by 39.7 per cent in the past five years, and by 14.7 per cent in the past year alone.

A major event of the conference was the introduction, at a series of safety workshops, of a new employee-education aid: safety flip-charts combining graphic illustrations and capsule lectures on the nine most common accident causes. The flip-charts, now being supplied to member companies by the A. G. A. Accident Prevention Committee, provide an ideal means for effective safety briefing. Easily portable, they lend themselves to training of a small group either at short "tail-gate" sessions in the

field or in longer discussions.

A successful feature of the conference was a materials exchange display—a wide variety of safety training and communications aids used with success by utilities. Sample materials disappeared rapidly as delegates snapped them up for study and possible use in their own programs.

Another highlight of the conference was a scientific demonstration of the explosive properties of gas, given by G. M. Kintz and H. F. Browne of the U. S. Bureau of Mines. Injecting gas-air mixtures into transparent glass pipes, and then igniting the mixtures, the men were able to show the speeds and pres-

ence
tices



"Does Your Safety Inspection Produce?" was question asked in this panel discussion. Panel members were (l. to r.) Clinton Pendleton, Peter Barry and W. E. McGuire. Warren S. Hyde was the panel moderator



This panel gave a quiz and discussion on "I've Got a Safety Secret." The panel moderator was E. S. Beaumont. Panel members (l. to r.) were G. J. McKinnon, Robert H. Coleman, H. Gordon Hill, and R. L. Conway



Howard Jayne, Philadelphia Gas, chairman of Program Committee



Talk by Stanford Downey concerned the human element in pipeline safety



Delegates heard W. B. Haas discuss subject, "Efficiency or Accidents"

The safety workshop discussion led by these group leaders was one of the highlights of the annual Accident Prevention Conference



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tures developed by explosions. Explosion-proofing equipment and the need for its proper maintenance were also demonstrated. Methods of preventing explosions were discussed.

Delegates were formally welcomed to the conference on September 17 by H. Reid Derrick, president of the host company, the Laclede Gas Company of St. Louis. E. C. Baumann, New Jersey Public Service Gas Company, chairman of the A. G. A. Accident Prevention Committee, presided. Opening remarks and introductions were delivered by Howard Jayne, Philadelphia Gas Works.

Stanford H. Downey, Southern Natural Gas Company, Birmingham, Alabama, led the speakers, as representative

ings were awarded to accident-free groups helped to make safety a group goal.

For a thorough and successful safety program, management participation is just as important as employee interest, Mr. Downey said. One of the best ways to keep management sold on safety is to stress that it pays in dollars and cents, and that the safe way is the efficient way.

Off-the-job accidents also are a company concern, since they cause lost time and decreased production. Therefore, it is important to give employees all-around safety training, especially in driving and first aid. In his company, at least five lives had been saved through employee use of first-aid training off the job, Mr. Downey said.

dents. Mr. Downey counseled that acceptance of the Ten Commandments and the Golden Rule would eliminate these root causes of accidents. To bring about such acceptance, he advised open employee discussions of emotional problems as part of a complete safety training program. A further value of such discussions, Mr. Downey said, is the great interest which they generate in employees—an interest which carries over into the whole safety program.

Mr. Downey feels that even the employment of professional psychologists, sociologists or ministers on gas company staffs would be a paying proposition, through increased productivity of employees and elimination of the underlying accident causes.



F. Browne (l.) and G. M. Kintz, representing Health & Safety Dept., U. S. Department of the Interior, Bureau of Mines, gave demonstration known as the Flame Propagation and Explosion-proof and Permissible Electrical Equipment during the annual safety conference. Presentation caused considerable interest



National Fleet Safety award winners were (l. to r.): Transmission Group—Lynn Covington, Lone Star Gas, first; D. A. Hardesty, Natural Gas Pipeline Co., second; R. L. Cooney, third; J. A. DePew, contest chairman; Large utility—R. G. Claar, The Ohio Fuel Gas Co., first; A. R. Kelliher, Pittsburgh Group Companies, second; C. Cummings, Hope Natural Gas Co., third; (and second place for small gas utilities in behalf of the River Gas Co.)

of a company with a zero injury rate for the past year.

Mr. Downey described the program which had enabled his company to achieve this result. With 1,350 employees spread over 4,000 miles of pipeline, it was necessary for his safety men to travel in order to "live with the men on the job," and personally attend each of the monthly safety meetings held at 44 different locations.

Employee participation was obtained, he said, by use of various "gimmicks" to stimulate discussion, and by having employees choose committees and leaders from among themselves. An incentive plan in which annual prizes or out-

Any long-range safety program must take into consideration three types of accident causes: the immediate cause, the distant cause, and the underlying cause. The immediate cause is the unsafe condition or act which brought about the injury, and which can be remedied by training and inspections. Distant causes are those factors which lead to an unsafe act. These factors may include anything from physical unfitnes to poor supervision, and may be eliminated through obvious measures.

Underlying causes are those human emotional factors which lead to aggressive or competitive behavior, or other behavior patterns predisposing to acci-

Robert W. Otto, chairman of the board, Laclede Gas Company, in addressing the delegates also stressed that accidents are a matter of human emotions. Many give lip service to the ideal of safety, he said, yet repeatedly commit unsafe acts through impatience, anger, or anxiety.

Although we have come a long way in safety since the turn of the century, Mr. Otto observed, accidents still are the fourth leading cause of deaths in this country.

Management must assume the leadership in safety, not only by removing physical hazards and providing safety

(Continued on page 44)

Is inflation worth controlling?

By DR. EZRA SOLOMON

Professor of Finance
School of Business
University of Chicago

The standard explanation for inflation emphasizes the *demand* side of the economic equation. In this view, a general rise in prices is caused by too much demand chasing too few goods and services. In technical terms, it is an excess of aggregate demand for goods and services, relative to aggregate supply, at current prices.

The standard prescription for the malady is to stem the forces of demand either by restricting money and credit or through restrictive fiscal policy—a reduction of federal expenditures or an increase in federal tax rates or both.

According to a lot of people, the recent inflation we have been having is a new and different phenomenon. It is supposed to start on the *supply* side of the economic equation. Rising costs, especially rising wages are supposed to push prices up. Most recent discussions of inflation in the press and by business leaders have been stated almost entirely in terms of this *cost-push* explanation. The role of demand has been almost completely neglected.

Instead, modern inflation is supposed to originate in cost pressures which arise out of institutional practices current in the modern economy. Industry-wide wage bargaining, wage demands in excess of productivity, cost-of-living and other escalator clauses, cost-plus pricing practices—all of these are supposed to keep costs and hence prices moving upward. This is more than a simple change



J. H. Wimberly, incoming chairman, General Management Section, presents gavel to retiring chairman L. A. Brandt in recognition of service the past year

in theory. It has an important implication.

The basic implication of the cost-push explanation is that traditional restrictive monetary measures are worse than useless against modern inflation. They are useless because they affect demand and demand is not the culprit. They are worse than useless because an important consequence of restrictive monetary policy is a rise in interest rates.

Since interest is an element of cost, this rise simply aggravates the rise in prices. If this implication is accepted, two others follow: (1) Inflation cannot be prevented without restraint on the part of unions and big business. If exhortation does not do the job, some kind of direct control over wage-negotiations is the only answer. (2) If there is reasonable restraint on the part of unions and business, inflation will be kept in

harness, and so long as it creeps rather than gallops, we should learn to live with it.

My own view is that the cost-push explanation is misleading and that its implications are unjustified and dangerous. The argument about the relative role played by cost and demand in determining price was settled 80 years ago. The correct answer, both for the price of a particular commodity and for the general price level of all commodities, is that price is determined by the interaction of cost and demand. The text-book analogy is that *both* blades of the scissors do the cutting.

Can modern inflation be prevented by traditional credit and fiscal policy? The answer is a clear-cut yes.

Since an excess of aggregate demand is a necessary factor in the inflationary process, it follows that inflation can be

Excerpts from a talk given before the General Management Section Luncheon at the Annual Convention of the American Gas Association, St. Louis, Mo., Oct. 8, 1957.

prevented by restraining demand. Since the monetary and fiscal authorities have almost unlimited power to reduce demand it follows that they can bring inflation to a quick halt. They can do so with or without the cooperation of unions and business and they can do so in spite of all the so-called cost-push factors which have been built into our economic system.

Why have they not done so these past two years? The answer lies in three factors. (1) The problem of human judgment, (2) the nature of monetary control, and (3) a potential conflict of goals between price stability on the one hand and growth on the other.

Price stability is only one of the goals of over-all economic policy. Another important goal is the promotion of maximum employment and growth. Inflation is only one hazard. Unemployment is also a hazard. There probably exists some

degree of monetary and fiscal ease or stringency which will keep us exactly between these two hazards and exactly on the path of non-inflationary full employment. Ideally we would like to have the economy poised forever on this midway path—on the brink of inflation, so to speak, but without an actual rise in prices.

Now this ideal position can be aimed at but it cannot be perfectly and continuously maintained because the steering mechanism of economic policy is not a simple or an exact device. A free economy the size of ours generates many forces that swing it off the ideal path in one direction or the other—sometimes toward inflation—sometimes toward unemployment. The cost-push factors complicate this problem enormously. Policy must attempt to correct for these forces—but it must not over-correct, or it will push the economy toward the opposite hazard.

The recent inflation is a good example of how difficult it is to achieve perfect corrective action. In the first place there is the difficulty of forecasting the future accurately in order to know which kind of correction is necessary and how much of it should be applied. Almost everybody is against inflation—but how many people were sure in 1954 and 1955 that our problem in 1956 and 1957 would be inflation and not unemployment?

This brings us to our most controversial issue. Should we stabilize prices if the restraint required to do so restrains the growth of employment and output?

The issue of price-stability versus maximum growth is by no means a new one in this country. In fact much of the economic history of the United States could plausibly be written in terms of a basic conflict between the proponents of expansion, even at the cost of some inflation, and the proponents of the sound

(Continued on page 47)



The head table at the General Management Section luncheon is shown in these photos. Above (l. to r.): W. B. Tippy, Marvin Chandler, F. Marion Banks, Mrs. Denny Griswold, John H. Wimberly, and the speaker, Dr. Ezra Solomon. Below (l. to r.): L. A. Brandt, John Carson, Walter Herrman, C. M. Turner, Walter K. Paul, J. R. Guidroz, and E. C. Bauman. More than 200 gas industry executives attended this annual convention luncheon





Outgoing Accounting Section Chairman W. D. Peterson receives the traditional gavel from new Chairman D. W. Peterson (c.). Looking on is new Vice-Chairman J. G. Ross

Progress of accounting emphasized

Accounting has come a long way since the days of the old-fashioned bookkeeper and simple arithmetic.

Accounting men already know this, but delegates attending the annual convention's Accounting Section meeting were made increasingly aware of their profession's progress. S. Lloyd Nemeyer, president of Milwaukee Gas Light Company, emphasized that fact in this manner: "We have come to think of the accountant as the company's official answer man on revenues and costs . . . and most of you have felt the transition in the accounting function from a dull and rather drab performance to a lively and dramatic one."

Keeping pace with the accountant's rise into the dynamic are the annual convention's Accounting Section meetings. The one just past certainly qualifies for a dynamic rating.

Six provocative papers with topics ranging from "To Hell with Management Development" to "Accountants Have Human Relations, Too" did a splendid job competing with the World Series. Dr. Erwin Taylor, a psychiatrist with The Personnel Research & Development Corporation of Cleveland, Ohio, spoke on management development. Professor Robert T. Livingston of Columbia University told of the human relations aspect in accounting.

Other speakers, in addition to Mr. Nemeyer whose subject was "The Fourth Dimension in Accounting," were R. B. Herrold, Ohio Fuel Gas Company; J. H. Purdy, Baltimore Gas and Electric Company; and Clifford H. Domke, of the firm McKone, Badgley, Domke, and Kline, of Jackson, Michigan.

Mr. Herrold, speaking for C. F. Wahli of the Knoxville (Tenn.) Utilities Board, talked on "Keys to Customer Premises." Mr. Wahli was unable to attend the convention.

Mr. Purdy's topic was "Customer Information Service and Electronic Accounting." Mr. Domke spoke on "Dividends Out of Capital."

Also on the two-day program was a lively panel session on the subject of "Collection Techniques in an Ever Changing Economic Market."

G. A. Wilson, Public Service Electric & Gas Company, Newark, New Jersey, was moderator. Panel members were R. Hansen, Citizens Gas & Coke Utility, Indianapolis, Indiana; J. B. Olsson, The Brooklyn Union Gas Company, Brooklyn, New York; C. A. Burns, Union Electric Company of Missouri, St. Louis; and E. M. Alt, Northern Indiana Public Service Company, Hammond, Indiana.

Austin W. Merchant, coordinator, Customer Activities Group, Michigan Consolidated Gas Company, Detroit,

presided at the opening session. The second meeting was presided over by James F. Daly, coordinator, General Activities Group, Long Island Lighting Company, Mineola, New York.

A. G. A. President C. H. Zachry appeared briefly before the group and presented the Order of Accounting Merit awards. (See award story, elsewhere this issue.)

Section officers were elected at the second day's meeting and a report of the Nominating Committee was given by E. R. Eberle, Public Service Electric and Gas Company, Newark, New Jersey. New officers are: chairman—D. W. Peterson, secretary and treasurer, Minneapolis Gas Company; and vice-chairman—J. Gordon Ross, manager of service and customer relations, Rochester Gas and Electric Corporation, Rochester, New York.

Reviewing the papers in the order in which they were presented, Mr. Herrold summarized some of the difficulties faced by all gas companies in obtaining meter readings. "This has been something of a problem and a challenge since the beginning of distribution of gas and electricity and the measurement of meters, but the problem had been reduced somewhat in recent years," he said.

"One thing that has slipped up on our blind side is the fact that there are

many more working mothers and wives now than in years past. This results in many homes being locked during the day, a situation that makes reading meters inside such homes a real problem," he said.

"This seemingly was solved by the acceptance of keys by many utilities," Mr. Herrold said. "The only trouble here is that the solution created another problem," he explained, adding that some utilities faced an even greater task when they took on the chore of holding keys to customer premises. Companies

often times have the responsibility of caring for thousands of keys. The Ohio Fuel Gas Company, for example, has 22,000 keys.

Mr. Herrold pointed out that many meter readers are required to carry two and three pounds of keys as they make their rounds. Add this weight to the meter reader's flash light, sealers, route book, rain coat, and other tools required for the job, and you soon realize that a personnel problem may also exist, he said.

Mr. Herrold mentioned many other problems arising from holding cus-

tomers' keys, and while he offered no over-all solution, he suggested that it is important enough for top management to become fully aware of the situation with the hope that a difficult problem might be avoided before it gets any worse.

The second speaker was Dr. Taylor, whose catchy title, "To Hell with Management Development," created considerable interest in advance of the session. The Cleveland psychiatrist was quick to amend the title—in part at least.

"I'm not against management development at all," he said, "or at least not in its true meaning. What I'm against is what some managements have done to management development."

Dr. Taylor said many managements have developed excellent programs while others have programs that give them a feeling of complacency; the only trouble is that the latter are usually very poor.

What can we do about management development? Dr. Taylor suggested training a second generation of leaders in each company. "It has to be done on a day-to-day basis," he said. "Today's management must realize that you can't buy all the talent you need on the open market. You have to build it from within."

He criticized what he termed the short course or three-day canned management development schools because most "students" attend these quickie schools, fill up on new ideas and then return to "become frustrated when management won't allow them to put their new ideas to use."

He said that one problem today is that top management expects every college graduate to be a potential vice-president. "There's no need to be discouraged when they are not," he said. "We need our second-line career men—the fellows who do a good job but just aren't the type who make it all the way to the top."

Dr. Taylor said that the old saying "you can't hold a good man back" never was more true. "These men will go up in the organization they are with, or they will leave that organization and join one where they will be appreciated."

Mr. Purdy, speaking on "Customer Information Service and Electronic Accounting," said, "All we want to ask the accountant now is: If you keep accounts electronically, can I find out quickly how much a customer owes and why?"

(Continued on page 50)



Taking part in the opening Accounting Section meeting were, standing (l. to r.), Clifford H. Domke and R. B. Herrold; seated (l. to r.) are Dr. Erwin K. Taylor, Austin W. Merchant and J. H. Purdy. Mr. Merchant presided at the opening session



Participants in the second day's Accounting session were, standing (l. to r.), E. M. Alt, C. A. Burns, R. Hansen, J. B. Olsson and F. T. Hager; seated (l. to r.) were G. A. Wilson, S. Lloyd Nemeyer, James F. Daly, and Professor Robert T. Livingston

Forecast bright future for gas

A bright future for natural gas in industry was forecast by Ralph T. McElvenny, chairman, American Natural Gas Service Company, Detroit, before 200 members of the Industrial and Commercial Gas Section during the annual convention in St. Louis.

"With great increases yearly in the nation's proven gas reserves, with a vast exploration and development program under way in the continental shelf area of the Gulf Coast and in extensive areas of Canada, and with the spectacular growth in the demand for this wonderful fuel in home and industry, I see a bright future indeed for our business," Mr. McElvenny said.

The advancement of our industry and the acceptance of gas as a superior fuel has been greatly aided by the technological advances made in gas consuming appliances, he continued, adding, "The extent to which our natural gas industry relies upon industrial gas sales is clearly demonstrated by the fact that more than 50 per cent of all the natural gas which is brought to market is sold to industrial users."

Cites growing pains

He said that "the future of this business is extremely bright. The difficulties which we have experienced are largely the result of growing pains. From the standpoint of gas reserves, we appear to be in an excellent position at the present time. During the past year the recoverable gas reserves were increased over 14 trillion cubic feet. This fact, combined with the continued discoveries of large new reserves, assures that we are going to be in business for a long, long time."

For many years The East Ohio Gas Company of Cleveland has been conducting a program on the servicing of



New officers of the Industrial and Commercial Gas Section were elected at annual business meeting. J. Robert Delaney (r.), retiring chairman, greets successor Roy E. Wright. F. T. Brooks (l.) and L. E. Biemiller are looking on.



Speakers at the Industrial and Commercial Gas Section convention session were John S. McElwain (l.), sales manager, The East Ohio Gas Co., and Ralph T. McElvenny, chairman, American Natural Gas Service Co., Detroit, Michigan.

commercial cooking equipment. Discussing what they do was John S. McElwain, sales manager, who spoke on "The Importance of Adequate Service for Commercial Gas Equipment." He said "we believe it is a good program that has been developed for building and holding commercial sales."

He detailed the program and concluded with a summary built around their practices which were:

- (1) Train men who are experts at commercial cooking service and make this their prime responsibility.
- (2) Schedule every commercial cooking establishment for a periodic service call, depending on type and size, whether the establishment asks for the service or not.
- (3) Maintain close personal contact between the commercial salesman and the commercial service man. Make it easy for them to talk to each other.
- (4) Have the service man present at the installation of all major commercial gas equipment, no matter when the installation is made.
- (5) Provide the services of a full-time dietitian.
- (6) Participate in trade associations and industry exhibits.

F. T. Brooks, sales manager, industrial gas department, Philadelphia Electric Co., entitled his paper "Do We Get Our Share?" and spoke of basic func-

tions of a sales department and how markets should be analyzed for maximum sales. He said that the markets for gas today are in commercial establishments and institutions for use in cooking, water heating, space heating, and air conditioning, and a wide variety of applications in industry. He told of heat treating in its many phases, foundry operations, the use of gas in ceramic processing and other major uses of gas fuel.

Mr. Brooks said that the keystone of the industrial and commercial gas sales organization should be the sales representative who can place himself in a position to make sound sales presentations to prospective customers.

Details sales plans

He believes that sales training and the A. G. A. Industrial and Commercial Schools are valuable and concluded his talk with this thought: "Any sales representative who is selected should be able to sell gas service against any reasonably unfavorable differential if he has so cultivated his customers' confidence in himself and his company that his recommendations will be accepted at face value."

Instead of reading the annual report, Chairman Delaney took that time to remind the delegates of how important air conditioning was to the gas industry and urged them to make every effort to secure this valuable summer load. He made a

personal appeal to his audience by citing just what his company, The Cincinnati Gas & Electric Co., has done in this field.

He said, "We are a combination company. Several years ago our management became concerned with the growing summer hump caused by air conditioning in our electric sendout. We were asked to do what we could to promote gas for this purpose. At that time we were limited, having only Servel, which despite the quality of its merchandise was as nationally known and acceptable as our competition companies such as General Electric and Westinghouse and others. This posed a serious problem and many of us desperately hoped for a nationally acceptable company to implement and strengthen our position by announcing the promotion of absorption air conditioning. Carrier filled this need for us."

He described the sales set-up and detailed the operations of the sales force which resulted in considerable success.

In summarizing the success his company had in selling summer gas air conditioning, Mr. Delaney said, "We had a 400 ton job in a soap company installation. We secured a 540 ton job in a hospital. We secured a 340 ton job in a greeting card plant, then a 300 ton job in a large manufacturing plant, followed by a 300 ton job in another hospital, and have secured tentative acceptance of a 650 ton job which will be installed within the next two years in another hospital. A large electric company is currently favorable towards a 300 ton installation and a paper plant constructing a new office building is sold on a 150 ton installation. A boys' club has signed up for 60 tons. We have built a backlog of prospects and we believe the future looks good. The volume of business that we have secured in less than a year currently is estimated at 1.2 per cent of our current summer daily load. This has been secured with little additional expense."

The annual report of the chairman which includes all the detailed reports of the various committee chairmen is available from A. G. A.

The session concluded with a short business meeting at which Roy E. Wright, director of gas sales, NEGA Service Corp., Cambridge, Mass., was elected Section chairman and F. T. Brooks, sales manager, industrial sales department, Philadelphia Electric Company, was elected vice-chairman for the coming year.

Section Managing Committees formulate plans



Following a custom of many years, the old and the new Industrial and Commercial Gas Section Managing Committees met at the conclusion of the annual convention to formulate plans for the coming Association year. Above, committees pose for photo

Operating problems analyzed

Some of the most urgent problems in gas company operation received exhaustive treatment at highly productive sessions of the Operating Section, held on the first two afternoons of the Annual A. G. A. Convention.

The subjects were college recruitment of scientific and technical personnel; automation in gas companies; the place of gas companies in the national defense picture; radio communications; field observation of appliance performance; and mutual aid by gas companies in meeting disaster emergencies, including atomic attack.

The sessions were presided over by V. F. Bittner, Peoples Gas Light & Coke Company, vice-chairman of the Section, in the absence on urgent company business of chairman, Grove Lawrence, Southern California Gas Company.

In the opening talk, "A College Recruitment Program—Has Gas Got It?" Mark V. Burlingame, Natural Gas Pipeline Company of America, pinpointed some steps the gas industry can take to attract its share of top-flight talent from among college graduates, especially engineers.

Present recruiting techniques, Mr. Burlingame said, are often criticized by college interviewees as consisting of glittering generalities or "pure baloney." As a cure, Mr. Burlingame recommended some management soul-searching about the prospects actually offered. If the company is on a firm footing in this respect, Mr. Burlingame suggested three further questions:

1. Are we using our presently employed engineers as engineers?
2. Can we benefit by employing high school graduates, or college students prior to college graduation?
3. What techniques can we best use in competing for graduating engineers?

Many gas companies, Mr. Burlingame



Newly elected officers of the A. G. A. Operating Section are (l. to r.): chairman, Victor F. Bittner, Peoples Gas Light & Coke; second vice-chairman, J. T. Innis, Northern Natural Gas; first vice-chairman, Herbert C. Jones, gas division, New England Electric System



Afternoon speakers and their topics were (l. to r.): J. H. Collins Sr. of New Orleans Public Service—mutual aid; Mr. Bittner, presiding; J. E. Keller of Dow, Lohnes and Albertson—FCC action; P. W. Kraemer of Minneapolis Gas—national field observation program

continued, are using graduate engineers to do clerical work or drafting which actually could be done by less highly trained employees. Clerical work could be reassigned, and drafting work could either be limited or assigned to employees hired specifically as draftsmen. Automation could be used to speed up data processing.

Summer employment of engineering students would be a good means both of recruiting future engineers and of assisting more students to complete their engineering educations. Taking a personal interest in such employees would pay off, Mr. Burlingame feels.

Techniques for recruiting could be improved most by spelling out the specifics of job opportunities, Mr. Burlingame said. College seniors are as much interested in the details of job acceleration as in starting salary. They also are concerned about formal training programs and job rotation policies which promise continued growth and the most satisfactory final placement. Recruiting brochures should state such information clearly, and should be lively in presentation.

In a talk entitled "Can We Afford Automation?" L. E. Heckman, Columbia Gas System, said that not only can we afford automation, but we cannot

afford not to use it. Specific applications must be governed by circumstances, of course. Mr. Heckman cited the experience of the Columbia Gas System to prove his point.

Much of the mystery surrounding the term "automation" disappears when it is brought down to specific applications, Mr. Heckman pointed out. Actually, gas companies have been using it for many years. Examples are automatic pressure regulation, telemetering, and electronic communications systems. The dispatching operation is especially suitable for automation, with its opportunities for use of remote control, telemetering and automatic data processing.

Mr. Heckman cited three instances in which substantial financial savings as well as gains in efficiency were realized through installation of automation equipment within the Columbia Gas System.

At the Urbana compressor station of the Ohio Fuel Gas Company, increased market demands indicated a need for extra looping, and in addition necessitated frequent starting and stopping of the compressor. By installing telemetering and remote control equipment at a cost of \$7,000, the need for the looping, which would have cost \$36,000, was eliminated at an investment saving of \$29,000. In addition, operating costs

were reduced by the elimination of attendants at the station.

By installing telemetering and remote control equipment at three regulator stations and a dispatching office, the Manufacturers Light and Heat Company in Pittsburgh was able to save \$33,000 a year by an investment of only \$22,000, Mr. Heckman reported.

At Charleston, W. Va., automatic data processing equipment handles up to 250 items of operating information such as pressures, temperatures and flow from approximately 50 locations. It makes possible almost instantaneous remote control over all the points involved, by a single dispatcher seated at a control console. At an investment of \$900,000, the installation is expected to save more than \$150,000 annually.

In summary, Mr. Heckman said that automation is a must because: dependable equipment is now available to perform most mechanical operations; increasing costs make it imperative to effect operating economies through automation wherever possible; and gas companies have an obligation to render the best possible service in the most efficient and economical manner.

A military guest, Major General L. E. Cotulla, staff director of the Petroleum Logistics Division, Department of Defense, described the place of gas in the defense picture and suggested measures by which the gas industry could cooperate with government agencies in meeting a war emergency. The central defense planning group for the petroleum industry—the Military Petroleum Advisory Board—was established in 1948 by the Department of the Interior. During the Korean war, a Petroleum Administration for Defense was set up, temporarily superseding the MPAB. The MPAB, as reactivated, now consists of six panels of about 30 leading members of the gas and oil industry, which counsel the government on all oil and gas matters relating to national defense. An example of the work of the MPAB is a wartime gas supply and demand study, completed this year.

The panel preparing this report made a number of conclusions and recommendations. Among them was the con-

Statement Required by the Act of August 24, 1912, as Amended by the Acts of March 3, 1933, and July 2, 1946 (Title 39, United States Code, Section 233) Showing the Ownership, Management and Circulation of

The American Gas Association Monthly published monthly, except July and August, bi-monthly then; at Brattleboro, Vermont for October 1, 1957.

1. The names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, American Gas Association, Inc., 420 Lexington Ave., New York 17, N. Y.; Editor, Walter H. Dyer, 420 Lexington Ave., New York 17, N. Y.; Managing editor, None; Business manager, None.

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WALTER H. DYER, Editor.

Sworn to and subscribed before me this 20th day of September, 1957.

ROBERT J. CUTTING
NOTARY PUBLIC, STATE OF NEW YORK
No. 30-5895810
Qualified in Nassau County
Term Expires March 30, 1958

clusion that although gas storage and other facilities are not as vulnerable to attack as are oil refineries, interruption of gas supply could be disastrous. Military advice was therefore recommended, in order that the gas industry might place supplies of construction and replacement material in strategic locations for the purpose of rapid emergency repairs.

The study recognized also that gas is essential both in war industry and in any surviving economy and that gas energy can usually be supplied under wartime conditions at less cost than other forms of energy. Therefore, maximum coordination between the gas industry and governmental defense agencies is urgent. This coordination is being achieved.

In a review of gas industry communications as affected by FCC actions, Joseph E. Keller of Dow, Lohnes and Albertson, Washington, D. C., stressed the importance of microwave radio communications in an expanding gas industry.

The gas industry, along with the petroleum industry, Mr. Keller said, has been a leader in the development of industrial radio. The two corresponding groups chiefly responsible for this leadership have been the Central Committee on Radio Facilities of the American Petroleum Institute, and the National Committee for Utilities Radio, which includes A. G. A. and regional gas industry representatives.

The most vital problem worked out by these committees, cooperating with the FCC, was the allocation of microwave frequencies.

Reporting on "The National Field Observation Program for Customer Service," Paul W. Kraemer, Minneapolis Gas Company, outlined a project which should pay great dividends in customer satisfaction and appliance improvement. Already adopted by the A. G. A. Customer Service Committee, the program was offered for approval of the industry, after which it would be put into effect.

In essence, the Field Observation Program proposes to set up a system by which utilities collect data on the performance—during actual customer use—of all types of gas appliances. The in-



Visiting prior to the Accounting Section sessions are (l. to r.): J. T. Innis, M. V. Burlingame, L. E. Heckman, V. F. Bittner, Maj. Gen. L. E. Cotulla, and H. C. Jones

formation would be collected during service calls and would cover any type of customer complaint or performance failure. Entered on standard report forms, the information would be forwarded to A. G. A., where it would be consolidated. The data would then serve the following objectives:

1. Aid manufacturers in appliance improvement.
2. Assure compliance of all appliances with approval requirements.
3. Assist gas industry research by revealing features most in need of improvement.
4. Possibly call for revision of A. G. A. approval requirements.
5. Aid utilities through information on unusual service needs of appliances.
6. Obtain service cause analyses showing desirability of controls or other devices.
7. Secure information on gas equipment not covered by American Standards (A. G. A. Approval Seal).

Such a field performance observation program would supplement on a vast scale the present Laboratories testing program of A. G. A., in effect making every gas appliance user's home a field

laboratory over the life of the appliance.

Discussing "Mutual Aid in Emergencies," J. H. Collins, New Orleans Public Service Inc., tied in with General Cotulla's talk on defense. Atomic attack or sabotage disrupting gas utility operation would constitute one type of emergency situation to be met through mutual aid. The other type of emergency is that caused by local disasters, which may interrupt gas supply and necessitate emergency measures to restore service.

Mr. Collins pointed out that mutual aid by neighboring companies has long been an unwritten law due to public dependence on gas service. Mutual aid should be as much a part of operational planning as internal gas company functioning.

Factors to be considered in a complete mutual aid program would include: area included; formation of a planning committee; key personnel to be contacted; types of material available; types and availability of transportation; communication equipment; construction and maintenance equipment; personnel; supervision available; legal considerations; accident responsibility; assumption of costs; housing and feeding of personnel; and formation of an operating committee or committees.

Bright future—if^{we} work for it



Section Chairman W. D. Williams, vice-president, New Jersey Natural Gas Company, introduces Julia Meade to Residential Section members



New officers elected during the Residential Section meeting are T. H. Evans (l.), vice-chairman, and A. G. Bur, chairman

● Residential gas sales in 1957

The residential gas outlook was summed up in one sentence by speakers at the Section's meeting in St. Louis on October 7:

"We have a bright future, but we sure must work at it!"

Chairman W. D. Williams, New Jersey Natural Gas Co., told the audience of 550 people that residential gas sales for the first seven months of 1957 rose about ten per cent and should exceed \$2.5 billion for the year.

"Our continued growth in this market is a sign that we have accepted the competitive challenge and are doing something about it," Mr. Williams declared.

Delegates elected A. G. Bur, vice-president in charge of sales, Wisconsin Public Service Corp., incoming chairman of the A. G. A. Residential Gas Section. Thomas H. Evans, vice-president in charge of sales, Equitable Gas Co., was elected vice-chairman.

Highlights of the gas industry's complete Promotion and Advertising Program for 1958 were spelled out in colored slides.

The gas industry's two leading sales personalities, Julia Meade and "Mrs. America," were presented to the delegates during the meeting and both re-



...C. McDermand told gas men to do all in their power to enlist dealer cooperation in sales plans



John H. Brinker told Section delegates to "make the trends, don't just follow them"



"When you go fishing for customers, give them the bait they want," said Sol Weill

es in *ould exceed \$2.5 billion*

ceived enthusiastic ovations.

Dave C. McDermand, promotion manager of appliance sales, Hamilton Manufacturing Co., urged his audience to take advantage of the fact that wash-day is a "day of glorious opportunity for the gas-house gang. The automatic gas laundry is the greatest single residential gas opportunity," he said.

But don't stop there, he added. Emphasize to your customers that there are needs for hot, hot water other than in the laundry.

Mr. McDermand exhorted gas men to do everything they possibly can to enlist dealer cooperation in their campaigns. The gas company should act as a prime source of ideas for the retailers in its area, he said. Home service experts should be called in and encouraged to help train the sales force whenever possible. He urged the use of "see your gas appliance dealer" signatures on ads, free trials and money back guarantees. Gas company ads should be given to dealers far enough in advance for them to tie in. Gas companies should identify themselves, he said, as the people who know about wash-n-wear and new synthetic fibers and who are thoroughly modern.

John H. Brinker, general manager,

A. O. Smith Corp., Permaglas Division, advised residential gas people to "take off those rose colored glasses!"

There is no doubt that the gas industry is making substantial progress, he noted, but is it enough progress to keep up with competition and with the economy in general? Appliance shipments are up in some cases, but growth indexes are not as good as they should be—with the exception in the field of heating, where gas is way out in front. He criticized gas men for "following trends instead of making them."

Our solution, Mr. Brinker suggested, is for gas utilities to invent, design and produce new and ingenious gas consuming devices. One of the big problems in the gas appliance industry, he added, is that there are too many manufacturers with too much production capacity and too few dollars. The utilities should throw their full support behind the quality manufacturers.

Sol Weill, Eastern promotional manager, Geo. D. Roper Corp., used the intriguing title, "Worms, Strawberries and Lonesome Women."

"When you go fishing for customers, offer the prospects the kind of bait they like, not the kind you like," he sug-

gested. "Remember, too, that the American housewife is the loneliest woman in the world. When she goes out to shop, looking for adventure, nobody listens to her. If you want to outdistance competition, treat the American housewife as being important!"

In spite of the tremendous expenditures of competition, the gas industry has sold more than two million ranges a year for the past ten years, Mr. Weill said. This is proof that the gas industry has national acceptance. But is the industry taking advantage of that acceptance?

He advised gas company sales managers to examine their sales training programs and to find ways of making better use of salesmen. Use every available inducement to get salesmen out visiting the maximum number of prospects, he urged. Other badly needed steps he named included development of an effective dealer relations program and strong support for automatic ignition gas ranges.

Mr. Weill's dramatic talk featured the use of a large, seemingly empty safe and a hefty passing arm with which he threw footballs into the audience to punctuate and dramatize his sales messages.

Gas cooling

(Continued from page 17)

ket and had been proven by actual experience, we began to develop a sales and service organization to do a complete job of saturating our system with gas operated central heating and cooling. The program didn't get into full swing until February of this year. Since February, we have sold 266 units. Sales prices generally were at current Servel prices, plus transportation, plus estimated cost of installation. In order to meet competition with electric machines, we have made concessions in price in a few instances but the greater portion of the sales were accomplished by reason of the superior performance, dependability and lower operating cost of the gas machines. For the first eight months of this year prices received for the units installed have equalled out-of-pocket cost of the units delivered, plus installation. This does not include sales expense.

Having determined that gas air conditioning was a vital necessity and that the Servel unit was the only effective appliance available, the financial and other difficulties of the Servel company were exceedingly disturbing. Our sales experience in recent months has convinced me that the gas companies themselves must take on the prime responsibility of connecting the air conditioning load if an adequate job is to be accomplished. The companies have the greatest incentive—attachment of a very desirable additional load and the blocking of the electric competition—and they can install and maintain the units at the lowest cost to the customer. Gas company sponsorship and guarantee of adequate service and maintenance are two of the deciding factors in a successful program to sell air conditioning. I realize that some of the companies cannot merchandise the equipment themselves but I urge you wherever possible to take on the sales job and where you cannot sell the equipment at least handle the service of it.

We concluded that a gas company that had the support and active assistance of the industry could develop the business successfully where Servel had failed. On the basis of this assumption, we negotiated a deal and made the purchase offer. Offers of assistance and cooperation from the gas industry since the purchase offer was made have as-

sured us that the required support will be forthcoming.

The purchase was consummated on Sept. 20, 1957. The price was \$3,000,000 for the physical facilities, patents and business. We were obligated to purchase the materials, supplies and finished products at actual cost as of Sept. 20, estimated to be \$675,000, which amount was likewise paid on Sept. 20. This is subject to adjustment after inventory. In addition to this, we are obligated to pay \$1,000,000 at the rate of \$200,000 per year for a five-year period, for technological assistance, guidance and counsel, and for Servel's agreement not to enter into the air conditioning and fluid cooling business.

A new company, Arkla Air Conditioning Corporation, was formed to own the property and conduct the future operations. The officers of that corporation are: W. R. Stephens, chairman of the board; J. C. Hamilton, president; D. W. Weir, vice-president in charge of operations; E. N. Henderson, vice-president in charge of research & development; J. E. Chisum, treasurer; F. L. Holleman, secretary; W. G. Wepfer, sales manager.

The acquisition of the air conditioning division of Servel was an outright purchase and the new company will manufacture and sell the products. Servel, Inc. has no part in the new company management but, if and when required, arrangements have been made for consultation service for the five-year period.

The manufacturing, research and development, accounting, purchasing and other facilities and operations will be located in Evansville, Indiana. Sales headquarters will be maintained initially in Evansville until a complete program can be developed and put into effect, after which, the sales manager will establish headquarters in Little Rock, Arkansas.

All communications and inquiries should be addressed to Arkla Air Conditioning Corporation, Post Office Box 534, Evansville, Indiana, telephone number Harrison 4-3331. In the absence of W. G. Wepfer, sales manager, R. L. Eskew, assistant sales manager, will be available.

Service schools for intensive training of utility and dealer personnel are being established in Evansville. In addition, competent instructors will be made available also for field instruction and

training as quickly as possible. Announcement of the schedules and the curriculum of the schools will be forthcoming soon. Suggestions from utility sales managers and other interested persons, of appropriate topics to be emphasized in the training program are invited and such suggestions will be sincerely appreciated.

The manufacturing operation under Servel was shut down just prior to Sept. 20, 1957, the date of acquisition. A two week shut down period was required for the new company to hire employees, staff the organization, effect some re-tooling in the plant and make other changes to get the plant back into full production. Operations were resumed on Oct. 7, and a firm delivery schedule for all models will be in effect by the end of the month.

Warranty protection will continue to be effective on all products. Our best efforts will be directed toward fair and equitable adjustments and the ultimate satisfaction of the customers.

A factory spare parts inventory is being built up to the required level and a study is underway to determine locations throughout the country where stocks necessary for adequate service to the customers may be carried to the greatest advantage.

A vigorous and intensive research and development program is being projected to improve the present product and to add other equipment as customer requirements develop. Your suggestions in respect to this program also will be greatly appreciated.

Arkla Air Conditioning Corporation will utilize the trade name "Arkla-Servel" and market the units under the trade-marks "Sun Valley" and "All-Year."

Realizing the necessity for volume production in order to decrease the manufacturing cost and to assist the new company in its initial development period, approximately 50 gas companies, through the efforts of the American Gas Association Air Conditioning Promotion Committee, have agreed to purchase a minimum of 4,600 Arkla-Servel units over a period of one year beginning in October, 1957. In return for this, Arkla has agreed to a special package sales price of \$1,295 for a 3½ ton Sun Valley unit and a TF 10 cooling tower, and a price of \$1,695 for a new 5 ton Sun Valley unit and a TF 15 cooling tower, F.O.B. Evansville,

Indiana in carload lots. As a further consideration for the price reduction, the participating companies have offered to pay for such purchase commitments in monthly installments. Arkla will provide storage facilities in Evansville until Jan. 1, 1958 free of charge to those companies that desire it. Storage facilities will be available for a longer period for a reasonable charge to be worked out later. A minimum order of 25 units is required to obtain the above prices and terms.

Gas companies that are not parties to the original participation group agreement may purchase a minimum of 25 units on similar terms provided application is made to Arkla prior to Dec. 1, 1957.

Sales to customers under conditions other than the above will be made at prices quoted in the existing Servel price list of May 28, 1957.

The special sales price just referred to was originally offered to the Association committee by the Servel management some time prior to the making of the purchase offer by us. It represents an approximate 20 per cent reduction in the previously effective prices. The best estimates that we have been able to make of the cost level, including advertising, promotion and research and development expenditures, indicates that the manufacture of 4,600 units at these prices is about at the break-even point. We must increase the production appreciably above the 4,600 unit level in order to make this a successful project.

Our study of the previous experience of Servel and of the future competitive requirements of the industry have made it evident that large amounts must be

Laboratories Managing Committee convenes



Attending the meeting of the Laboratories Managing Committee which was held Oct. 7 are (l. to r.): Harold S. Walker Jr., Vincent T. Miles, F. M. Banks, H. B. Noyes, Frank E. Hodgdon, Chairman N. B. Bertolette, R. V. Myer, Bruce McCandless, W. G. Rogers, C. S. Stackpole, and E. H. Eacker

put into national advertising and promotion and into the research and development program. Initial working capital will be in excess of \$1,000,000 and a greater amount will be required as production increases. We estimate that the manufacture and sale of a minimum of ten to twelve thousand units per year will be required to justify the large expenditures necessary.

Let's go back to the sales question. We are continually meeting the long-time complaint: "You can't sell gas air conditioning"; "The price is too high"; "People are not ready for air conditioning and central heating in this area," and other complaints of a similar

nature. We have proven that such pessimistic remarks are nothing but excuses to cover failure to use the required effort. We have sold this year, since the middle of February, 266 units. The air conditioning sales department is under the supervision of Billy E. Harrell, sales manager, and his air conditioning supervisor, Herbert Baker. They have several technically trained air conditioning engineers but the bulk of the sales have been made not by experienced air conditioning salesmen or engineers but by our managers, meter readers, by me, by employees in our general office organization and last but not least, by satisfied customers.

Home service

(Continued from page 22)

homa Natural Gas Company. She said, "Yes, home service is on the midway. Those of you engaged in the profession are aware that new techniques, new ideas, new approaches, ingenious and creative thinking and planning are all a part of the challenge we face today. There are so many fields in which new concepts seek the recognition of the consumer and her spendable dollars to make living easier and more comfortable. Service and subtle selling to the customer remain basic to the philosophy of a well organized and administered home serv-

ice department in a gas company.

Miss Clark also said that home service today is on a new midway, one in which they must determine the route or methods to increasingly popularize the use of gas in the home. New approaches are being used in the parade of spectacles made possible through the combined efforts of home service directors and sales promotion throughout the country. She pointed up the responsibility of dramatizing the annual Home Shows and Parades of Homes which are in effect throughout the country and she described and illustrated ways used to attract attention not only of the customer but, also, the approval of home builders.

Miss Clark described some of the various state fair promotions which are in vogue through many states at this time of year and indicated that the dramatic possibilities of the new top burner heat control have led to a growing number of promotion pieces that emphasized its wide possibilities on the modern gas range.

At the conclusion of the Round-Table, Miss Clark complimented representatives of the press and magazines for their cooperation not only in the company and state Parades of Homes but, particularly, in their fine displays of gas kitchens at large national professional associations and industry meetings.

Strength in unity

(Continued from page 16)

is conducting a national campaign on a two-part strategy which, by implication or innuendo, is:

First, to scare the public through an organized fear campaign against gas; and

Second, to influence the passage of local-level legislation outlawing the Type B vent, thus creating favoritism for oil.

I referred to the Oil Heat Institute's program as a national affair. Actually, it is designed to be implemented at the local level. In fact, it is already under way and I would venture the opinion that the material to conduct such campaigns is in the hands of organized groups in every "oil" city of any size in America.

As an illustration of the subject matter of the hundreds of newspaper and billboard advertisements being sponsored by local oil heating interests, and stemming from their national program, I'd like to quote from a typical example. It says: "Safety: Fuel oil is non-toxic and non-explosive and there is no threat of asphyxiation! Security: Fuel oil is stored on your property representing heat for weeks to come, regardless of sabotage, explosion and line breaks!"

Statements such as these are a by-product of our progress. We should not try to laugh them off, but neither should we

let them send our blood pressure up. We have dealt with such programs before, we are dealing with them now, and we will deal with them in the future.

You fuel gas men must fight this battle in your own back yard. You have the satisfied customers, the records of safety, the prestige and the know-how. Those are the assets of progress. Facts can supplant fantasy; knowledge can combat the lack of ethics; and truth can defeat the ultimate objectives of fear campaigns. But it just won't happen unless you cause it to happen.

Gas heating men are on the brink of taking on a new competitor—the electric industry. We cannot afford to do less than recognize it as a potential major competitor.

I predict that within the span of the next decade, we will be competing with electricity for all seven of the household tasks, including heating.

I am a manufacturer of gas appliances and not heating equipment. If you wonder why I have dwelled upon gas heating, it is simply that I am convinced that the gas industry has a single future. I am convinced that gas appliance and equipment sales have a strong influence one on the other and that both are irrevocably tied in with the progress of the fuel gas industry.

One major electric range manufacturer is conducting a series of newspaper advertisements which appear to be based

upon the "cook-off" held a few months ago in New York. One ad proclaimed the economy of electric cooking, but a more recent one depicted a woman standing beside her electric range with the headlines proclaiming words to the effect that "I could never go back to cooking with gas again."

Does this leave any doubt in your minds about the desires and strategy of the electric industry when it comes to the cooking market?

We took the cooking market for granted 15 or 20 years ago. Electric ranges were taking less than 20 per cent of the pre-war market. Now they can make a statement which is hard to refute—a statement that they can surpass gas. And, they can do it, if we let things remain status quo. They can surpass us if we do not take steps to convince the unconvinced—the consumer, the dealer, the architect and the builder.

Why does the dealer favor the display of the electric ranges? Why does he often relegate gas ranges to the back of his store? Why does he not always have a live model on his sales floor?

Is it because we have proved to him that a gas range is best for cooking and that the sale of a gas range permits him to make a larger profit?

These are things we tell ourselves. Things of which we are convinced. But, which side of the fence is the dealer on—the convinced, or the unconvinced?

And how about the consumer? Is he influenced by what the builder installs and advertises? Is he influenced by what the dealer displays and puts his sales effort behind?

Like all of you, I have seen any number of consumer surveys, some of them sponsored by gas interests, which point to an army of unconvinced gas consumers. This should not strike you like a bolt out of the blue. We have been aware of these signs for years. But we have let them fester.

We must face up to the fact that, present trends continuing, it no longer need be a matter of years before electric range sales catch up to gas range sales—it could be a matter of months.

You might tell me I'm being unduly pessimistic. I'm not unduly pessimistic. But, it is my observation that some members of the gas industry have assumed a defeatist attitude and, in privacy, are conceding the cooking load to electricity. That's destructive thinking.

Every fact in the book says that we

Formulate promotion and advertising plans



Plans for future promotion and advertising programs were formulated at the Oct. 3-4 meetings of the General Promotional Planning Committee. At head of table is Christy Payne, retiring chairman

can have a healthier gas range industry. Every fact tells us we can and should be selling a minimum of three million ranges a year—but we're leveling off at two million.

You, the gas utilities, are the suppliers of America's prime cooking fuel. We, the manufacturers, are the producers of America's most sought-after cooking appliances. Let's keep it that way. The trends challenging our lofty position can be reversed. But only if we pool our resources, rid ourselves of the last vestiges of defeatism, and recognize that the cooking load will not remain healthy if we hide behind our industry's over-all record of progress. As I indicated before, hiding behind progress is about as practical as hiding behind a plate glass window.

How do we answer this challenge to the gas cooking load? First, we recognize its importance to the gas industry. Second, we use the blueprint for progress which this industry created five years ago—the Action Program for Gas Industry Development.

Among many things of vast importance, the Action Program says that each utility should:

1. Assume responsibility for developing sales volume of gas appliances in its territory.
2. Encourage and promote the sale in new homes of gas appliances of as high quality standard as justified.

3. Encourage and promote appliance replacement sales.

4. Assume leadership generally in promoting the sale of top quality appliances.

It also tells the manufacturer that, among other things, he should:

1. Do his part in promoting the sale of better grade appliances to builders, architects and real estate developers.
2. Accelerate the sale of new appliances.
3. Continually upgrade the performance and salability of his products.
4. Spend more on advertising and promotion.

Statements such as these make the Action Program as fresh and vital today as it was in 1952 when it came to life. It is a blueprint for success and insurance for the future.

In stepping down from the presidency of GAMA, it is my urgent plea, that each and every gas utility and gas appliance manufacturer give the Action Program a fair trial by applying its concept to the conduct of their own business. It can be the means of bringing appliance sales volumes into close proximity to our sales potential.

So, I am not pessimistic when I look at the opportunities for the future. It is just that my optimism needs stimulating from time to time. My optimism has

been tremendously stimulated during the past year. There are many reasons for this.

Chief among them is gas industry sponsorship of a national TV program. It is my thinking that the sponsorship of a national TV program of the quality of "Playhouse 90" constitutes one of the most potent sales tools we have at our disposal. The impact of our TV show and the caliber of its commercials has been tremendous. The benefits accruing to the industry can be nothing but continuing and accumulative.

I would remiss in my duties if I did not also salute the Arkansas-Louisiana Gas Company. Their entry into the gas air conditioning manufacturing field constitutes a notable "first." To the best of my knowledge, our industry has never before had a combination utility manufacturer among its members. In assuming the air conditioning facilities of Servel, they have provided the industry with a guarantee that gas air conditioning will be continually developed and promoted.

In conclusion, at every gas industry meeting, we listen to many papers extolling the virtues of gas. Speakers—and in all honesty, I must include myself—wave the gas banner before an industry which is 100 per cent convinced that gas is best. The trick we must accomplish is to transfer this enthusiasm into the consciousness of the unconvinced.

Sound investment

(Continued from page 17)

life. Just what are these principles?

First, a business must succeed economically. This is its basic purpose. A bankrupt business helps no one. A moment's reflection brings the realization that business success results in reduced prices, increased standards of living and more and more leisure time for creative, educational and cultural activities. Successful business enterprises preserve the economy, keep trade moving, and employment high.

Profit is a good word. It is not a term of opprobrium. Every time a sale is made there are two profits. The seller will not (or at least should not) sell unless the price obtained is more than the cost of production. The other profit, frequently overlooked, is the profit of the purchaser who surely does not buy unless the article or service acquired is

worth more to him than the price paid.

The optimum contribution which business can make to society, indeed one of the highest obligations of business to society, is the creation of surplus capital which follows profitable operations.

It is this surplus which provides a major part of the funds for research, which makes possible the expansion of existing businesses and the creation of new business. This surplus supports education and nourishes our manifold cultural, spiritual and philanthropic institutions. This surplus provides the expanding frontier of our 20th century civilization.

Second, business must serve the public welfare. The public interest comes first. No business can long endure if the public loses confidence in the reliability of the representations or products of that business. The quick-turn operator is called "fly-by-night." Believe me, the ideal of public service for business

is the height of realism.

In the center of our hearts we know that the basic function of a business, as well as an individual, is to further the general welfare. Civilization perishes when the individual loses concern for the welfare of all.

Today we hear much careless talk about the so-called evil of big business. This is a matter of interest to all of us. As a matter of fact, almost all life insurance companies are relatively huge in comparison with the thousands of smaller types of business and commercial firms. But bigness is not evil, per se. I ask you to remember that the bigger a business is, the greater is the necessity for earning and deserving public confidence and esteem through serving the best interests of the public. Big business is under suspicion and attack, not because men in big companies are bad, and men in small companies good (because, I submit, there are good and

bad men in both), but because there is widespread fear that bigness which has power, will abuse its power.

These fears I think would be considerably mitigated, if it were also generally recognized that the source of authority, particularly in big concerns, comes from below. A moment's reflection will remind us that business corporations and other institutions exist by virtue of the permission of governmental authority granted either by the Nation or the State, and that such authority exists only because it was originally delegated by the people. Always in our nation the people are sovereign.

It is also very true that while business superiors actually make official appointments, no business officer can continue to exercise effective authority unless the appointment is confirmed and continually reconfirmed by the consent of subordinate groups.

As the age of American abundance continues, as our business life and methods become more and more complex, and vast in scope and responsibility, the bigger will some of our business units grow. This is so because experience shows and will continue to show, that certain economic advantages accompany bigness. We will lose these advantages, however, if abuse or exploitation accompanies bigness. I submit that one of

the important aspects of the conviction that business must serve the public welfare springs from the belief that if the leaders of big business sincerely seek to serve the public interest, there will be no abuse of power or exploitation by business, and America can continue to grow and develop and will not lose the economic advantages of such growth.

Finally on this topic, we must in all honesty confess that man is by nature altruistic. As a matter of personal experience I can testify and many of you can too, that the maximum of human satisfaction only comes from absorption in serving the welfare of our fellow human beings.

Third, a business must be so conducted as to contribute to the advancement and realization of the mission of our country.

We know that the United States was founded by those who shared deep convictions respecting the sanctity of the individual person, who felt that it was necessary for government to obtain its power from the consent of the governed, who were willing to die for the view that individuals have inalienable rights to life, liberty, and the pursuit of happiness, and who consequently wished to establish a society in which each individual would have freedom to worship, freedom to speak, freedom to

assemble, and the opportunity to acquire and administer private property.

In spite of all the temptations of frustrating cynicism which beset each of us, we do recognize that the founders of our nation did serve sound and fundamental principles; that their convictions were consistent with the Grand Design; and that those convictions were conceived sincerely to further peace and promote brotherhood. Obviously, therefore, each thoughtful and patriotic citizen has a sense of incompleteness if his life or his vocation fails to contribute to the American dream.

And so we have three convictions about the American business system:

- (1) Business must succeed economically
- (2) Business must serve the public interest, and
- (3) Business should contribute to the advancement of the mission of our nation.

If we examine our own industries in the light of these principles, we can be pleased. Because I think we have passed the test. It is, however, important to do more. We have, it seems to me, the responsibility of convincing the American public that we share these convictions and are, in fact, dedicated to the public service.

Safety conference

(Continued from page 28)

rules and training, but by instilling in employees through all grades from supervisors on down that "the boss means what he says" about safety. Management should realize that safety pays—that it costs only a fraction of what accidents cost. Therefore it should back up the safety director by seeing that he gets the necessary training, by following his recommendations, and by providing the money necessary to get results.

Workers, on the other hand, should be sold safety as a benefit to themselves, and for the feeling of satisfaction they earn in being of service to their fellow man.

Following his talk, Mr. Otto presented the A. G. A. Accident Prevention Awards. Of the 73 awards, 39 were presented personally to delegates attending.

National Fleet Safety Awards for the best records in safe driving were awarded to 15 companies. The six top awards, presented personally to dele-

gates, went to the Lone Star Gas Company, the Natural Gas Pipe Line Company of America, the United Gas Pipe Line Company, the Ohio Fuel Gas Company, the Pittsburgh Group companies, and the Hope Natural Gas Company.

Subjects covered in the Wednesday workshop meetings, and by the new safety flip-charts, were:

1. How to Sell Employees on Safety.
2. Lifting Accidents—Control and Prevention.
3. Falls—Steps Toward Their Prevention.
4. Safe Use of Excavating Equipment.
5. How We Get Employees to Use First Aid.
6. Backing—Major Source of Vehicle Accidents.
7. Common Hand Tool Accidents.
8. Fire Hazard Control.
9. Off-the-Job Accidents—Our Concern.

So successful were the workshop discussions in providing specific answers to

safety problems that plans have been made to hold a full day of these face-to-face, small-group sessions at the next annual conference.

W. B. Haas, Northern Natural Gas Company, opened the Wednesday afternoon session with a talk on "Efficiency or Accidents." One of Mr. Haas' main themes was the necessity of assigning employees properly. Age, physical condition, and previous accident records, all ought to be taken into consideration, he said, in getting the right man in the safe job. Companies should support research on safety subjects, he added. Part of the research can be accomplished within the company by listening to the ideas of all employees—even the "low man on the totem pole." This low man, said Mr. Haas, may be speaking with the voice of experience. Other important factors are regular and thorough inspection, better supervision to meet the increased challenge created by use of machines, better job planning, and full discussion of every plan of action.

Awards

(Continued from page 12)

roots effort explaining the company's policies, operations, and financial requirements to municipal officials, the public, customers, and employees.

The Ohio Fuel Gas Co. was cited for its public speaking program, "Our Jane and Rates." This program informed leaders in 286 communities on the meaning and importance of top quality gas service, and on what Ohio Fuel is doing to make that service possible.

Winners of Honorable Mentions are: Boston Gas Co., for its "Know Your Business System" program for school teachers; Niagara Mohawk Power Corp., for its public relations emergency program; Portland Gas & Coke Co., for its "Natural Gas Comes to Town" program; South Atlantic Gas Co. for its promotion centered around the "World's Largest World" natural gas storage tank; Southern California Gas Co. for its community relations program at Playa del Rey underground storage field; and Washington Natural Gas Co. for its "Natural Gas Goes to School" educational program.

Winners were selected by a panel of three judges: Dan J. Forrestal, president of the Public Relations Society of America; James L. Macwithey, president of the American Public Relations Association; and Harold W. Springborn, executive editor of *Gas Age*.

As first-place winner, Southern California received a handsome 18-inch trophy designed by Nesbitt Associates and produced by Medallion Art Co. It is comprised of three graceful arches forming a pyramid, from which rises a blue-tinted flame-shaped pillar. On the base are inscribed the three major dimensions of a sound public relations program: "Integrity, Enlightenment, Achievement."

Six-inch desk replicas of this trophy were presented to executives of the three merit award winners, and to the public relations department of Southern California.

Individual accomplishments in home service were recognized by presentation of the A.G.A. Home Service Achievement Award, sponsored by *McCall's*. Bronze plaques and cash

prizes totalling \$1,000 were awarded to members of home service organizations judged to "have made the greatest contribution to the advancement of modern homemaking by promoting interest in, and better use of, gas and modern gas appliances during the year." Awards were made in three divisions.

In Division A (home service departments with more than five representatives), a cash award of \$200 and a plaque were given to Kathryn L. Barnes, director of the Equitable Gas Co. home service division. Miss Barnes was cited for her program directed toward interesting homemakers of today and tomorrow in the use of gas appliances.

In Division B (home service departments with five or less representatives), a cash award of \$200 and a plaque was presented to Betty R. Schmidt, home service director of the Hagerstown Gas Co., for a progressively successful promotion during a three-year period in the Mrs. America activity.

Three cash prizes of \$200 each and bronze plaques were presented in Division C (an individual member or a department head in the home service departments of three different companies). Mrs. Jeanne P. Dabney, Northwestern division home service director of Southern Union Gas Co., earned an award for her demonstration workshop on gas appliances which was conducted for new department members. Mrs. Zelda R. Smith, home service representative in the Southwest Gas Corp., earned an award for her house-to-house campaign to popularize the use of gas for new home owners. Mrs. Greta L. Welch, senior home economist at Southern California Gas Co., earned an award for her series of cooking demonstrations which appliance dealers could use during a gas range campaign.

Outstanding leadership, original authorship, and continuous service qualified three men for membership in the Order of Accounting Merit. The three honored were: W. T. Mott, The Peoples Gas Light & Coke Co.; D. W. Peterson, Minneapolis Gas Co.; and J. R. Weger, Baltimore Gas and Electric Co.

Special honors in the form of the Operating Section Award of Merit went to 25 men this year. They are as

follows.

R. H. Arndt, Baltimore Gas and Electric Co.; Matthew Edward Benesh, The Peoples Gas Light & Coke Co.; Linn B. Bowman, Rochester Gas & Electric Corp.; Frank E. Ceccarelli, Consolidated Edison Co. of New York; Samuel A. Chadwell, Columbia Gas System Service Corp.; Samuel Cohn, The Peoples Gas Light & Coke Co.; Adrian E. Dibble, Equitable Gas Co.; Leo H. East, Rochester Gas & Electric Corp.; Fenton H. Finn, New York State Natural Gas Corp.; John F. Fugazzi, Public Service Co. of Colorado; Hugh L. Hamilton, A. V. Smith Engineering Co.; Richard C. Holcombe, Philadelphia Gas Works.

Also, Duane V. Kniebes, Institute of Gas Technology; W. J. Kretschmer, Columbia Gas System Service Corp.; Charles R. Lock, The Peoples Gas Light & Coke Co.; Donald R. MacCollum, Rochester Gas & Electric Corp.; F. T. Parks, Public Service Co. of Colorado; F. M. Partridge, Pacific Northwest Pipeline Corp.; H. A. Rhodes, Transcontinental Gas Pipe Line Corp.; L. C. Rohret, Middle West Service Co.; J. J. Schmidt, East Ohio Gas Co.; Clarence J. Wilhelm, U. S. Bureau of Mines; Delbert E. York, United Fuel Gas Co.; and C. S. Stackpole, managing director, and B. A. McCandless, assistant managing director, American Gas Association.

Thirteen gas companies received the Safety Achievement Award from the A.G.A. Accident Prevention Committee. These companies had the lowest accident frequency rate of all A.G.A. member companies in each of 13 divisions, classified by number of employees and type of operations. The winners are as follows.

Natural gas companies—Baltimore Gas and Electric Co., Central Illinois Light Co., New Orleans Public Service Inc., and Southwestern Public Service Co.

Transmission companies—Texas Eastern Transmission Corp., New York State Natural Gas Corp., Michigan Gas Storage Co., Wilcox Trend Gathering System.

Manufactured and mixed gas companies—Philadelphia Gas Works, Citizens Gas and Coke Utility, Florida Power and Light Co., and Superior Water, Light & Power Co.

Liquefied petroleum gas companies—Florida Home Gas Co.

Sales may double

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many committees of the American Gas Association, together with groups from other national and regional associations in the gas industry. Even though they get no headlines, the contributions of these hard-working teams of competent and dedicated men and women can be measured in terms of actual results.

Every one of A. G. A.'s five principal Sections has made major progress this past year. Through the Accounting, General Management, Industrial and Commercial, Operating, and Residential Sections we have had a constant exchange of information and development in such diverse fields as customer relations, accident prevention, college recruitment, and employee relations.

Aside from the important work of its scores of committees, A. G. A. provides its member companies with major support in the fields of promotion, advertising, research and public information.

For example, one of the outstanding developments during the past year has been in the field of gas industry research. Important contributions toward the improvement of gas appliances and equipment have been the result of diligent effort put forth by key committees that have coordinated work being done in A. G. A. Laboratories with leading manufacturers and committees from other associations.

One area in which A. G. A. research has made an important break-through is gas incineration. As a result of development work completed in our laboratories, five manufacturers are now coming into the market with radically new gas incinerators which are genuinely smokeless and odorless. Not only does this new incinerator provide an important and necessary answer to smog control and air pollution but it can radically affect the whole problem of waste disposal in a nation that is taking to the suburbs for more comfortable living conditions.

It is no secret to our competitors that we intend to capture a large share of the air conditioning market through the sale of constantly improved equipment. In this field alone may lie our industry's greatest opportunity. By the end of this year, we will have five or six new prototypes ready for demonstration and early production. However, there is no need to wait. Present equipment is outstanding and puts the gas industry in a posi-

tion to compete in the booming air conditioning market.

A. G. A.'s Committee on Air Conditioning Promotion is under full steam. This group represents all sections of the country and is not only coordinating industry research with interested manufacturers but has ambitious promotional plans to tie in directly with utilities' and manufacturers' sales efforts. Direct action in this field also came about a few weeks ago when the Arkansas-Louisiana Gas Company purchased the air conditioning division of Servel, Inc. They are now at work on an aggressive production, product development and sales program.

Advertising, promotion

Another battleground is the field of national advertising and sales promotion. In television we certainly have picked a winner through our sponsorship of "Playhouse 90." This weekly program takes the message of the blue flame into an average of 19 million homes every month at a cost of less than a two-cent postcard for every commercial gas message. Miss Julia Meade, who presents these industry messages, is one of the most accomplished of television performers and has been instrumental in bringing to the attention of millions of American housewives the advantages of today's gas appliances, including their modernity and economy.

Supplementing this television program is A. G. A.'s purchase of more than \$1 million worth of advertising in some 30 leading national magazines. In many cases manufacturers have doubled the value of our investment by sharing the cost of these hard-selling advertisements.

In the national promotion line, I believe that our participation in the "Mrs. America" contest has successfully identified gas with the modern American homemaker. What's more, this contest starts at a local level, goes to a state elimination and ends in a national final that offers all branches of the gas business an opportunity to participate from the very beginning to the final selection. Of even greater importance, we have ready-made champions of the all-gas house in these local and state winners.

The "Old Stove Roundup," the New Freedom Gas Kitchens and Laundries, and the "White Christmas-Bing Crosby" spectacular—to mention a few other A. G. A. promotions—are all effective, exciting, and are producing results.

A. G. A.'s Public Information Program annually secures thousands of publicity stories in newspapers and magazines across the country, directs important efforts toward better employee understanding, and stimulates public relations activities at all levels.

All of these research, advertising, and public information activities are part and parcel of the PAR Plan, which your contributions have made possible and put into action. Continuing and increasing support will not only improve the quality but widen the field of activity.

The \$24 million which the gas industry has contributed to the PAR Plan in the last ten years is evidence of our faith in this business as well as a shining example of the kind of unity which produces results for us all.

We can only take full advantage of our national programs if our individual companies supplement and magnify these efforts by doing an effective sales and promotional job at the local level. No matter what part of the industry we represent, we all need to inventory our sales and promotional activities constantly. Because of the dynamic changes with which we are constantly confronted, a program set up five years ago or even one year ago may not be adequate or appropriate today. And let's not overlook the fact that to be successful our programs must include the utmost consideration and attention to the needs of the dealer—who today sells 85 per cent of the gas appliances—as well as to the desires of the contractors who are building and repairing the homes of America.

Certainly we all recognize that we have competition. In the American free enterprise system competition is a good thing. Healthy competition should keep us on our toes and benefit our customers by stimulating improvement in products and service. At times some people in our industry are tempted to worry about the multiple millions of dollars that our competition is spending for national advertising. I have news for these people: our competition is worried about our increased and more effective advertising, promotion and sales efforts! Witness, for instance, the desperation type of advertising being indulged in by certain elements of our competition.

When all is said and done, the fact remains that the gas industry is selling a superior product through superior appliances.

Atomic energy also is sometimes

spoken of as a source of energy which might, in the near future, largely supplant existing sources of energy. There is, of course, no doubt but that it will supply a portion of the nation's energy requirements in the future. The facts are that the President's Materials Commission has estimated that by 1975—18 years from now—atomic energy will be supplying less than 3 per cent of the nation's energy requirements.

The gas industry today is supplying 26 per cent of the total energy requirements of the United States. The President's Materials Commission estimates that in 1975 the gas industry will be producing 20 trillion cubic feet, or 27 per cent of the total energy requirements at that time. Incidentally, this 20 trillion feet will be almost double the gas pro-

duction last year. Certainly the gas industry has no reason to look to its future market potentials with anything less than optimism.

In this past year, as president of the American Gas Association, I have been afforded the privilege of speaking to many groups of people who have a direct or indirect stake in our industry. Wherever and whenever possible, I have attempted to state those principles which I believe comprise the basic fundamental challenges that face our industry. I should like the opportunity to state them again. I believe:

We must continue to provide—and sell—the best possible service to our customers at reasonable prices.

We must conduct our business in a manner which will merit and retain

public confidence in our integrity, fairness and ability.

We must provide new leadership for the future by recruiting, training and developing young men and women of ability and high character.

We must maintain and demonstrate our faith in our industry, our product and our services.

We must, as good citizens, take an active part in the communities we serve.

We must continue to establish worthy objectives and carry them through with vision, enthusiasm and imagination.

If we build our business on these principles, if we continue to unite for the good of our entire industry, if we welcome the continuing revolution as an opportunity for growth and greater service, there shall be no limit to our future.

Inflation control

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dollar, even at the cost of some expansion.

In recent months the issue has flared up again in connection with current monetary policies. There are many shades of opinion on how we should solve the problem of reconciling the goal of maximizing production and growth with the goal of stabilizing prices. To simplify matters, we will discuss the two extreme positions in this debate.

One position is that *maximum growth in employment and output* should be the primary goal of economic policy. Price stability should be a secondary goal. We should be prepared to accept a creeping inflation that may result from the pursuit of maximum growth.

The second and opposite position is that *price stability* should be the primary goal of economic policy. Monetary policy should permit the maximum rate of growth compatible with an absolutely stable price level.

Each position emphasizes the vital importance of its chosen goal and is willing if necessary to sacrifice the alternative goal. Each position involves value judgments, an element of crusading and a tendency to exaggerate the tragic consequences of departing from its own particular ideal.

In order to evaluate the two positions and their respective arguments, it is necessary to remember that the problem at

issue is the problem of reconciling the need for stability and the need for growth *when these two goals are in conflict*. It is not a debate about whether serious inflation or serious unemployment is the greater evil. A good part of the current confusion arises because the debaters forget this fact.

A serious inflation occurs when output is operating at full capacity and continued credit creation results in a spiralling price level. Under these circumstances, we have speculative excesses, a disappearance of saving and a diversion of investment from productive capital formation. All of this leads to pure inflation and eventual collapse. Nobody denies the evil of pure credit-fed inflation. But this is not relevant to the issue at stake. In such a condition there is no conflict of policy involved. It is clear that the stabilization of prices should be the paramount goal of policy.

A condition of serious unemployment exists when gross output is falling. This is also a great evil. But again it is not relevant in the present argument, because there is no conflict of policy involved. When serious unemployment exists, it is clear that the re-establishment of full employment is the paramount goal of policy.

The problem of reconciling a possible conflict of policy exists *only* when neither unemployment nor inflation is serious. The period since 1955 is a good example of the kind of situation in which a potential conflict of goods exists

and policy must choose or compromise between the needs of growth and the needs of price stability. It is within this context that we must evaluate the alternative suggestions that have been put forward. The injection of arguments which apply in altogether different situations, such as pure credit-fed inflation or serious unemployment, simply confuses the issue.

The important question now at issue is whether any useful purpose is served by explicitly legislating one of these two goals as primary and the other as secondary. My own opinion is that the explicit recognition of one goal as primary and the other as secondary would do only harm. Both goals are important.

The proper function of monetary restraint is to withhold funds from potential demanders during a period of full employment and rising prices. When demand declines and employment falls these potential demanders can then be induced to borrow by a deliberate easing of credit conditions. If it fulfills this function, monetary policy can make an important contribution to economic stability.

The cost of such a contribution is some loss of potential output during the boom and some creation of potential future inflation during the recession. The imposition of an alternative operating goal—whether it is maximum output or absolutely stable prices—will avoid one or the other of these costs. But it will also emasculate monetary policy as an instrument of economic stabilization.

Cooperation essential

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and that the interest charged be high. The transmission industry has been made very much aware of this by the somewhat recent change in practice of the insurance companies. In years past they required only proof of adequate natural gas reserves during the period of debt amortization, or the promise of a responsible geologist that reserves were available with diligence. They now require adjustment of the period of debt amortization equal to the existing proved supply of gas in terms of years, and a new look at the reserves is now taken each year for that purpose.

Who is it that lends this money to organizations such as the transmission companies wishing to expand? Well, there are, as well as individual investors, such groups as pension funds, banks and the largest of all groups, the insurance companies, who held \$1.884 billion in natural gas transmission organization securities at year end 1956. So we have the interesting event of millions of persons saving money which is lent to industry at higher interest rates, thereby increasing the income of those who have saved. Simultaneously, we see labor charging industry a greater amount for its services. The higher prices which result from the larger expense imposed on industry are passed on to the consumer, thus absorbing his increased earnings, and we are all trying to maintain the economic relationship existing before the last round of increases, or more probably the next to the next to the next last round of increases.

This year the industry is serving the needs of 45 per cent of our nation's energy requirements for which natural gas is competitive. To do so, we produced 10.9 trillion cubic feet of gas in 1956 while serving 25 million customers and the industrial organizations supporting a population of 171 million people. Practical projections of population and fuel trends indicate that in serving another 17 million in population in 1965 the natural gas industry will produce 16.5 trillion cubic feet. Further projection of these demands indicates the industry will provide 60 per cent of the nation's fuel requirements for which it is competitive while producing 22.5 trillion cubic feet in 1975 to support an economy of 210 million in population.

These are the requirements which our prospective customers are placing upon the gas industry. The needs for this premium fuel are believed to be realistic for the period of time covered by the projections. Whether or not the industry can satisfy these demands is dependent upon whether supply is adequate and whether price remains reasonable and competitive, thereby assuring the economic feasibility of the projects.

Are we concerned about supply? Not so far in the existence of natural gas, but adequate incentive must be provided to explore for and develop the reserves which are believed to exist in order that we may bring this gas to market. At year end 1956 it was reported that known reserves of natural gas were 237.8 trillion cubic feet, a volume equal to 20.9 years based on our present requirements. This compares with known reserves of 160.6 trillion cubic feet in 1946, or a volume equal to 32 years of then existing requirements. The remaining years index has been steadily decreasing in this ten-year period, as a result of the ever-increasing utilization of natural gas.

Reserve estimates

The estimate of remaining unknown reserves based on expert opinion has been generally accepted as being about 626 trillion cubic feet, and this past spring we heard one of the experts, Lyon F. Terry of the Chase Manhattan Bank, tell of his current revision in the estimate of total natural gas supply which indicates the total future supply to be 1200 trillion cubic feet, but, of course, someone has to find and produce the unknown portion of this supply—at a price commensurate with the risk of individual failure.

Many in the transmission industry are looking forward to again making a major contribution in the location of those unknown reserves provided we are given incentive commensurate with the risks attendant to such search. As you are all aware, in large measure this phase of our industry activity has, since about 1942, been carried by the producers, the pipeline organizations making small contribution with no incentive provided to them. They have been limited to recovery of those costs which have been approved by the FPC over the life of the reserves and related facilities plus an annual rate of return on

the depreciated cost of those reserves. Too frequently "cost" did not, in my estimation, include all those justifiable costs essential in this high-risk type venture. I refer, of course, to those leasehold acquisition, exploration and drilling costs in unsuccessful ventures which the pipelines wrote off as charges to earnings prior to passage of the Natural Gas Act.

Since these charges had been written off, the pipelines were not permitted to reinstate them so they would become a part of the rate base which the pipelines could recover or upon which they could earn a rate of return. In other words, the pipelines absorbed the losses on those unsuccessful ventures.

The early pipeline organizations produced a large portion of their requirements. So long as they were provided adequate incentive, they continued to explore for, develop and produce the major portion of their own requirements.

Once Federal regulation assured the pipelines that they would no longer be provided that incentive the pipeline organizations decreased their contribution.

The trend of purchasing gas requirements rather than developing and producing one's own reserve does not reflect an unwillingness on the part of the pipelines to cooperate in the discovery of unknown reserves; it reflects, rather, the inability to justify economically the risk of capital in such uncertain ventures with the lack of incentive to them that now exists.

There was a flurry of activity on the part of pipelines to again enter the exploratory field once more following the Federal Power Commission decision in the Panhandle case, where the Commission felt it advisable to again provide incentive to the pipelines by allowing them the fair field price for company-produced gas.

Such activity changed to an attitude of watchful waiting when the United States Court of Appeals remanded the case to the Commission for further investigation to determine that the fair field price was no more than the minimum required to encourage such exploration. This formal matter of proof has so far proved to be rather exacting.

Since this case has not yet reached final decision, this problem is well the subject of the legislation provided in H. R. 8525, the proposed amendment to the Natural Gas Act now pending. Such

action would remove uncertainties and delays in the inevitable search for new gas reserves essential to meeting the anticipated fuel requirements of the country. The Federal Power Commission has had an abnormally heavy work load of extremely complex cases, with still no court-tested definitive standards for guidance.

If this comment contains a note of urgency, it is well to consider that it averages about 5 to 7 years from the inception of a successful exploratory program to the first delivery of gas to the market, and that the gas so produced is normally but a parcel of an adequate supply dedicated to an assured market for a 20-year period. Without such assured supply and market the pipeline company is unable to obtain a certificate of convenience and necessity authorizing a project and is unable to attract the investment capital necessary to construct the facilities. Therefore, now is none too early to start such ventures, for the gas initially discovered today is likely to be part of a volume of gas dedicated to supply a market commencing in 1962 and extending into 1982.

It might be thought by some that the transmission companies have conflicting opinions which defeat their purpose, one in maintaining that the price of gas must be reasonable, the other recommending that they be permitted to recover through rates the reasonable market price for the gas which they or their affiliates produce, an event which may increase the cost of gas to the consumer.

Contentions so made reflect a short-term concern for the consumer, one which is limited to price while ignoring the adequacy of supply.

It might be mentioned again that adequate supply is itself a check on price, shortages beget high prices; therefore, by contribution to increased availability of supply, the pipeline organizations will be providing through their own company-owned reserves the normal check on price in a free enterprise system. However, we do accept the long-term concern for the consumer interest and we historically have shown that we endeavor to maintain the cost of gas at a reasonable price level. It is as much in our interest as in the consumer interest that we do so. The transmission companies have no desire to price themselves out of the market.

As consumers we are witnessing the struggle of manufacturers to reduce unit

costs of production by supplementing manpower with mechanized equipment having greater productivity than man alone. The parallel of this event in the gas transmission industry partly is the use of the larger diameter pipe, higher pressures and more powerful compressors, thereby accomplishing more work for fewer dollars spent than in the past.

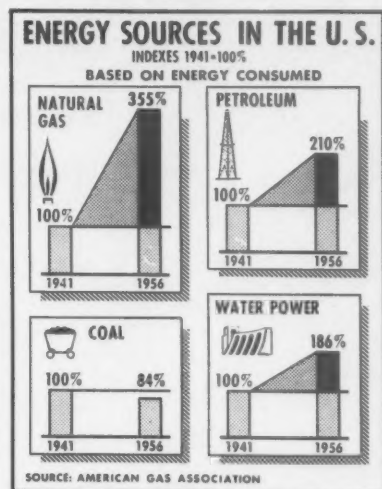
This is far from being our only contribution to the reduction of the unit cost of gas to the consumer. Possibly one of our largest contributions, and this we share with the distributors, is the utilization of the underground storage of natural gas near the market area served, thereby utilizing at higher annual load factors the pipeline facilities built to satisfy the market requirements on the coldest day in the winter when 16.7 million house heating customers are pulling peak loads. Having met these peak requirements, the demands for house heating taper off and gas flows to the underground storage.

Not too long ago underground storage of gas was limited to those market areas near depleted oil or gas fields. In recent years consumers in areas far distant from such fields have enjoyed the economic advantages resulting from the use of underground storage. They are doing so as a result of aggressive search near the market area, by pipelines and distributors, for geological formations capable of receiving, holding and delivering natural gas. Development and construction of such storage facilities cost considerably less than the construction of pipelines back to the source of supply. As a result of this lesser investment in meeting peak requirements the consumer enjoys lower gas rates than otherwise would prevail.

This year there are 188 such storage projects in operation with seven under construction. It is reported by the A. G. A. Committee on Underground Storage that these 195 projects have an ultimate reservoir capacity of 3.5 trillion cubic feet and at present have stored a maximum of 1.4 trillion cubic feet.

The house heating load sets the peaks, then tapers off to zero load in the summertime, utilizing on an annual basis only 25 per cent of the pipeline capacity which was built to serve it. Gas flowing to underground storage improves these operations, but always the transmission and distribution companies explore ways and means to utilize those facilities at higher load factors. They

Gas consumption up



U.S. natural gas consumption increased 9.6 per cent last year to a record 10,115 quadrillion Btu. Natural gas accounted for 24 per cent of the nation's total energy consumed in 1956, without including liquids extracted from natural gas

always look toward the optimum 100 per cent load factor, under which conditions costs to ultimate consumers are held at a minimum. While ideal, the optimum operating conditions are rather difficult to attain and frequently we have to be satisfied with something less.

We of the management groups all take such logical preparations as necessary tools for operating our businesses. Could not a broader knowledge of the methodical approach made by our industry in contemplating expansion programs dispel many uncertainties that exist in the minds of consumers and those who are concerned only in consumer interest?

I believe the consumer can understand (not necessarily like) that additional increments of natural gas brought to markets are going to cost more than that delivered through facilities constructed many years ago, just as he understands that additions to his home, additional classrooms in his schools, or additional services rendered by his government are going to cost him more.

It would be helpful if the consumer and in some instances, the distributor, could understand and appreciate these simple economic facts. When that occurs, the plain work which lies ahead will become intriguing problems as we seek ways and means of developing economically sound projects and gas in plentiful supply.

Accounting

(Continued from page 32)

"The ability to get information promptly from our records is the customer relations aspect of electronic accounting," he said, and pointed out the pitfalls that face a company when customer relations are injured through failure to handle this problem properly.

Mr. Purdy said that many utilities are spending great sums of money to purchase electronic "brains," and suggested that customer relations people be allowed to participate in studies determining if the purchase of these "brains" is advisable. "The matter of the public's reaction to new procedures incident to the use of electronic equipment must be given the utmost consideration," he said.

He added that any application of an electronic processing system to customers' accounting work will affect meter reading, billing, revenue balancing, collection, credit and the rating of accounts,

tax accounting, internal auditing, as well as customer relations. He stated that it was essential to re-examine present policies and procedures relating to billing, collection, credit and record keeping for opening and closing of accounts in an effort to foresee the impact of an electronic data processing system upon customer relations.

Despite Mr. Purdy's feeling of caution in regard to the electronic data processing system, he said that as yet, there is no evidence that customer relations will be impaired in any manner by the adoption of electronics for billing and accounting.

Mr. Domke was the final speaker of the opening session. Defining his topic, "Dividends Out of Capital," he said that such dividends are those paid by a corporation out of other than "earnings and profits" which are treated for federal income tax purposes as a partial return out of capital. "If the dividend is paid out of other than earnings and profits and is

treated as a partial return of capital, the tax cost of the stock is reduced by the amount so treated and if the amount received exceeds the tax cost, then the excess is treated as a capital gain. If the stock has been held for more than six months, the 50 per cent deduction applies or the alternative tax of 25 per cent is applicable," he said.

His talk was based on the fact that sometimes the Treasury Department issues a ruling, based upon expediency at the time in order to protect revenues, which may in later years reduce the federal taxes for some taxpayers.

One such ruling was made in 1942, he said, and was necessary for the determination of earnings and profits as a factor in the computation of equity invested capital for excess profits tax purposes during World War II.

"The question which prompted the ruling was whether the amortization of the tax cost of emergency facilities over a 60-month period reduced earnings and

Caloric built-in domestic ranges glamorize Brooklyn foundry

THE TREND in modern kitchens is to build a shiny, color-styled gas range into the wall. Few manufacturers of such built-in ranges ever had it in mind that their eye-appealing, chrome and porcelain-enamel ap-

pliances would ever be applied to what many consider the "dirtiest manufacturing job in the world."

Nonetheless, two built-in Caloric gas ovens are now doing foundry work at the Polytech-

nic Institute of Brooklyn. Dr. William H. Ruten, who had the kitchen appliances installed in his foundry-laboratory, believes that gas ovens might be as ideally suited to foundry baking as they are to home cooking.

Dr. Ruten points out that the oven heat control on such ovens provides the correct range of temperatures for most shell molding processes. The units are also easier to keep clean and are far more attractive to work with than normal foundry equipment.

Dr. Ruten also claims his two ovens help to stress to his students an overlooked fact about foundries. "A good deal of foundry work is done in places that look like back alleys and are among the dirtiest places in the world to work," Dr. Ruten says. "These attractive gas ovens point up the fact that a lot of foundry work can be as clean as working in the kitchen."

"Incidentally," Dr. Ruten says, "they are so easy to keep clean that we also use them for cooking beans and hot dogs at some of our informal sessions."

The built-in ovens which stand side-by-side on an aluminum rack operate at different temperatures during the shell-molding process. One oven heats a shell plate to 450 degrees F. The plate is then removed and dipped in a box of sand and resin. The box is inverted, the excess sand falling away, leaving about one-quarter inch of sand adhering to the plate. The coated plate is then placed in the second oven for about five minutes where it is cured at 600 degrees F. to form one side of a finished mold.

"The only limitation to using kitchen ranges in the shell-molding process is in the size of the ovens, but they are ideally suited to small foundry jobs," Dr. Ruten says.



Domestic gas ranges are applied to foundry work at the foundry-laboratory of New York's Brooklyn Polytechnic Institute. In the above photo, Dr. William H. Ruten watches a student slip a sand mold into one of the two Caloric ovens for curing. These same ovens are used for cooking beans and hot dogs at some of the informal sessions held at the Institute

profits to the extent of such amortization," Mr. Domke said.

Later, through questionnaires sent to electric public utilities by the Federal Power Commission, and other studies, he said, it was found that the use of amortization of emergency facilities resulted in an unintentional windfall to the shareholders of the recipient companies.

Mr. Domke said that any prior determination made with respect to a company's accumulated earnings and profits should be reviewed carefully under the law as it exists today. The study should be kept up to date in point of view of the stockholder for it is his tax with which we are concerned. He added that he was sure the present situation was not foreseen when the bill was passed in 1942. "However, the excess profits tax is gone and the present effect of the ruling is to provide a tax benefit to some individual shareholders."

Citing the tremendous growth of the accounting function, Mr. Nemeyer reminded those at the Section's second meeting that not too many years ago the only figures needed in a small utility were the amounts of bonds and capital stock outstanding and the flow of cash in and out.

"The details of operation were so well known by personal experience to the manager of the business that informative and detailed records were not needed," he said.

"Today, in a world of increasing business complexity, the cash balance and even the more advanced accounting reports which show changes in various business classifications of revenues and costs provide only a starting point for analysis," he said.

The primary purpose of accounting today, he said, is to furnish management with tools to help in the sound guidance of the business. Moreover, the growth of the utility business, the increasing complexities of operation, and the requirements of government in taxation, social security, rates and other areas, have significantly widened the accountant's responsibilities.

Mr. Nemeyer said that today's accountants have met the challenge of specialization and growth, and this is demonstrated by the stature in which the accounting function has gained in modern utility management.

Prof. Livingston, appearing as the final speaker, emphasized the important role played by human relations in business today, and said that no one in industry has a greater need for understanding of human relations than the accountant—"Not just a superficial knowledge of how to win friends and influence people but a deep down thorough understanding of human relations, of why people do the things they do," he stated.

Financial men meet during A. G. A. convention



Shown at meetings during the A. G. A. convention are the Committee on Financial Management (above), under the chairmanship of R. G. Olmsted, Long Island Lighting Co., the Committee on Gas Industry Finance and Economics, under the chairmanship of William B. Tippy, Commonwealth Services



ness today, and said that no one in industry has a greater need for understanding of human relations than the accountant—"Not just a superficial knowledge of how to win friends and influence people but a deep down thorough understanding of human relations, of why people do the things they do," he stated.

Prof. Livingston said that the accountant more than any other single administrator can affect the future destiny of the company, but on the whole has failed in this field. He charged that the accountant does not understand the im-

portance of human relations nor does he understand that everything he is doing in his daily work is human relations.

He said that the accountant's responsibilities are no longer the simple, though complex, functions of recording financial transactions and changes of value. "In industry, and especially the utility industry, the accountant must become a responsible member of the management team. He is uniquely situated to perform a creative service for the whole enterprise with which he is connected and indeed for every responsible member of that enterprise," he stated.

North Shore honors 50,000th customer

WAUKEGAN city officials and gas industry officials turned out recently to celebrate a milestone in the history of North Shore Gas Company—the Illinois utility's 50,000th customer. The 50,000th gas meter—a gold-plated one—was installed in the new home of Mr. and Mrs. Ahti E. Ahlberg. During the milestone ceremony, the Ahlbergs were presented with a gas range and a gas clothes dryer. Making the presentation were Waukegan Mayor Robert Sabonjian; City Clerk Howard

Guthrie; J. P. Happ, vice-president of North Shore Gas; Clayton Baird, Waukegan district manager of the local utility; Louis Wendricks, superintendent of service for the gas company's north division; O. H. Nibbelink, manager of appliance sales for the gas company; Harold Jalass, vice-president of Cribben and Sexton; Jack Schellenberg, Chicago regional manager of Cribben and Sexton; and Charles Blish, regional representative of the Sampson Company.

Florence buys Roper range and dryer business, sales subsidiary

FLORENCE STOVE COMPANY acquired Geo. D. Roper Corporation's gas range and dryer business, and the Geo. D. Roper Corporation of Delaware—Roper's sales subsidiary. The announcement of this acquisition, which went into effect Oct. 31, was made in a joint statement by J. H. Makemson, executive vice-president of Roper, and John P. Wright, president of Florence.

Florence will continue the manufacture of Kenmore and Florence gas ranges for both the

regular retail trade and mobile home builders. No change is contemplated in the Roper products or merchandising policies. Manufacture of Roper products will continue at Roper's Rockford, Illinois, manufacturing plant for the time being.

Roper President S. H. Hobson and Mr. Makemson will serve on the Florence board of directors and remain directors of the sales subsidiary.

L. R. Jensen, formerly vice-president in

charge of Roper's appliance division, has joined Florence with charge of all manufacturing operations. E. Carl Sorby, N. C. Kreuter, and W. J. Foster will be vice-presidents of the sales subsidiary in capacities similar to their former responsibilities. The former Roper field organization and the Rockford general sales office personnel are continuing to market Roper products. The Roper general sales office will be transferred to Kankakee, Illinois, about Feb. 1, 1958.

Two hundred attend A.G.A. Industrial Gas School in Pittsburgh

THE best-attended Industrial Gas School ever held took place during the week of Sept. 9 in the Penn-Sheraton Hotel, Pittsburgh.

Two hundred students from 32 states, 5 Canadian provinces, and the District of Columbia were enrolled.

The three Pittsburgh gas companies were most helpful throughout the school week. Walter A. Stermer of the Manufacturers Light & Heat Company, chairman of the School Committee, was moderator for two days and took charge of the display of industrial gas equipment that was set up near the school room. Other moderators were Walter E. Mc-

Williams, Peoples Natural Gas Company, and Ralph Melaney, Equitable Gas Company.

J. Robert Delaney, Section chairman, presided on the opening day. James E. Coleman, vice-president, Manufacturers Light & Heat, gave the welcoming address.

There were 32 technical lectures during the five-day course. A paper on selling to industry was given at the Monday morning opening of the school, and an inspirational sales talk concluded the session on Friday afternoon.

Lectures on combustion principles and burner equipment were major features of the course. The Section's Information Letters 70 and 70A were commented on at length, and

were included as a part of the binder of lectures given to all students.

Talks on equipment allied to combustion such as gas-air mixers and controls were also included in the lecture series, as were papers on regulations and codes. Heat treating of both ferrous and non-ferrous metals were also under discussion.

After each morning and afternoon session, the lecturers formed a panel to answer students' questions.

Bound copies of the lectures of the 1957 Industrial Gas School are available from the A. G. A. Order and Billing Department at \$6.50 per set.

A.G.A. announces new publications issued during October

The following new publications are available from A. G. A. Headquarters.

INDUSTRIAL & COMMERCIAL

• **Industrial Gas School Lectures.** Available at \$6.50 a set.

PAR

• **PAR Briefs, September-October.** Sponsored by the PAR Committee; free.

PUBLIC INFORMATION

The following publications are described in the article starting on Page 24.

• **Bing Crosby Newspaper Supplement.** Available at \$52.50 per thousand reprints, plus a make-ready charge of \$50 per order. Information on the cost of specific mats in the supplement may be obtained from the Public Information Bureau.

• **Build Your Future in the Gas Industry.** Available at 25 cents a copy.

• **Why I Invested in the Gas Industry.** Prices are as follows: 1-10 copies, 10 cents each; 101-2,000 copies, 9 cents each; over 2,000 copies, 8 cents each.

STATISTICAL

• **Monthly Bulletin of Utility Gas Sales, August 1957.** Free.

Gild of Ancient Suppliers to present award for top promotion

SPECIAL RECOGNITION of outstanding gas company promotion is being considered by the Gild of Ancient Suppliers. Initial discussion took place at the 20th birthday party of this organization, held at Hotel Coronado, St. Louis, in conjunction with the A. G. A. Convention.

The Gild is considering an award to a gas company, or a scholarship to be awarded in the name of a gas company, in recognition of a promotion program conducted by a gas company. Rules for this contest are being

studied by a Gild committee.

Re-elected for a two-year term as Mayor of the Gild was William G. Hamilton, Jr., president of American Meter Co., Philadelphia. Other officers elected are: Senior Warden Karl W. Schick, Minneapolis-Honeywell Regulator Co.; Clerk W. B. Ashby, American Meter Co.; and Keeper-of-the-Treasure Glenn H. Niles, Ridgewood, N. J.

Aldermen chosen at the annual meeting include: F. H. Boezinger, Rockwell Manufacturing Co., Los Angeles; W. H. Bovee,

Hardwick Stove Co., Dallas; Lee A. Brand, Empire Stove Co., Belleville, Ill.; Frank K. Toney, A. O. Smith Corp., Atlanta; and Sol W. Weill, Geo. D. Roper Corp., Philadelphia. Elected as Sage was C. D. Lyford, recently retired as vice-president of Minneapolis-Honeywell Regulator Co.

The Gild's 20th birthday party was for members only. The 1958 Wassail, in connection with the A. G. A. Convention at Atlantic City, will again be open to Burghers (gas utility men) invited by Suppliers.

Publish results of 20 years' research on gas-condensate fluids

a PAR activity

A NEW BOOK, of special interest to technologists of the oil and gas industry, has just been published by the American Gas Association. This 439-page volume, describing fundamental research conducted by the Bureau of Mines, U. S. Department of the Interior, in cooperation with the Pipeline Research Committee of the American Gas Association, culminates 20 years of study of fluids in high-pressure reservoirs. The book, entitled *Phase Relations of Gas-Condensate Fluids—Test Results, Apparatus, and Techniques*, was written by 13 Bureau of Mines employees.

The new publication is Volume I of a two-volume monograph (Monograph 10). It contains 201 illustrations, 106 tables, and over 200,000 words of text, and is available from A. G. A. at \$10 a copy. Fundamentals are reviewed in one of the eight chapters, test results are reported in five of the chapters, and two chapters are devoted to correlations. Chapters in Volume II, now in preparation, will pertain to correlations of test results.

Subjects of the monograph pertain to gas-condensate fluids that represent one-fourth to one-third of the reserves of natural gas in the United States. The critical temperature of fluid recovered from these reserves is lower than reservoir temperature, and liquid of gravity generally lighter than 48 degrees API is condensed from the fluids as the pressure is decreased at reservoir temperature. Volume I contains some of the results of two decades of research on the effect of pressure and temperature on the liquid-gas ratio and compressibility of these fluids. The information obtained has been used to prepare 24 correlations that can be applied to reserve estimates and to engineering problems of recovery.

Experimental investigations have been made with equilibrium cells to measure liquid-gas ratios and specific volumes of gas-condensate fluids in the temperature range —100F to 280F at pressures up to 6,000 psia. Mobile equipment has been used at flowing wells in the field to determine the phase diagram of eight gas-condensate fluids, and special attention was given to the measurement of dew-point pressures. The results of these investigations are reported in Volume I, which also contains information concerning techniques of measurement and accuracy of the test results.

Knowledge of the critical state of natural hydrocarbon reserves is essential to determine the most effective methods of producing fluids with gas-liquid ratios in the range 3,000 to 7,000 cubic feet per barrel. Such a fluid may be either a gas-condensate fluid or an oil, depending on the relationship of its critical temperature and reservoir temperature.

If the API gravity of the liquid recovered is low and the critical temperature of the fluid is higher than reservoir temperature, the fluid is an oil and should be produced with altogether different equipment than that which is appropriate for the recovery of gas-condensate fluids. Correlations of the critical temperature of both two-component and multicomponent hydrocarbon

mixtures are presented in Volume I, and these correlations may be used to compute the critical temperature of synthetic mixtures or reservoir fluids after composition has been determined by relatively simple analytical procedures. Other correlations are provided for computing the critical pressure of mixtures and the maximum pressure at which gas and liquid phases can co-exist.

The correlations of the phase diagram of gas-condensate fluids contained in Volume II are based on the test information presented in Volume I. Application of any one of the four correlations of the phase diagram will greatly simplify the determination of all or part of the phase diagram of a fluid. One correlation was developed to estimate a diagram that will require, as test information, only a routine distillation analysis of condensate from the stock tank and measurement of the liquid-gas ratio at which the condensate was recovered. The correlation that was developed in the greatest detail and that requires the most test information for its application is estimated to be subject to a pressure uncertainty averaging 53 psi and a temperature uncertainty averaging 4F. The accuracy of the latter correlation approaches that of the mobile test equipment, which is ± 25 psi and ± 1 F.

The compressibility factor is required for computing coefficients used in measuring gas and for estimating reserves of gas in natural and storage reservoirs. P-V-T data reported in Volume I were used to prepare correlations of the compressibility factor that are presented in Volume II. One correlation of

the compressibility factor has been developed that may be applied with knowledge of only the specific gravity of the gas. A second correlation may be applied if the composition of the gas is determined. The third and most accurate of the correlations requires for its application a determination of the minimum value of the compressibility factor of the gas at 100F. The accuracy of compressibility factors determined by means of the third correlation averages ± 1 per cent. The temperature range of the correlations is 40F to 280F. Compressibility factors for pressures up to 5,000 psi may be computed by means of the first and third correlations; factors for pressures up to 10,000 psi may be computed by means of the second correlation, if the composition of the gas or gas-condensate fluid is known.

The liquid-gas ratio and specific volume of gas-condensate fluids and oils at the pressures and temperatures of reservoirs are needed to determine whether liquid can be recovered from formations with profit. It is known that the liquid saturation of a formation can be reduced, if gas is injected and the ratio of volumes of liquid and gas moving through the formation toward the producing well is reduced. The lower the ratio of liquid volume to gas volume ultimately reached, the greater the recovery of liquid from the formation. The correlations of the compressibility factor can be used to compute the reservoir volume of the moving gas phase; the correlations of the phase diagram can be used to compute the reservoir volume of the moving liquid phase.

Clement welcomes Magic Chef to Tennessee



Cecil M. Dunn (L.), president of Magic Chef, greets Gov. Frank G. Clement who welcomed the Magic Chef sales organization to Tennessee at the opening of the group's two-day national convention. The company recently moved its executive headquarters and manufacturing organization to that state.

Oklahoma gas group holds meeting



Wister H. Ligon, president of Nashville Gas, delivers address entitled "PAR—For the Course" to gas division, Oklahoma Utilities Association

APPROXIMATELY 150 Oklahoma gas industry representatives gathered in Oklahoma City on Sept. 20 for the annual meeting of the gas division of the Oklahoma

Utilities Association. Chairman of the gas division is C. C. Ingram, vice-president of the Oklahoma Natural Gas Company. Principal speaker at the meeting was Wister H. Ligon, president of the Nashville Gas Company, and chairman of the A. G. A. PAR Committee. His talk, entitled "PAR—For the Course" covered many aspects of the committee's work.

The program of the meeting covered a wide variety of subjects, including an outline of the state's natural resources as contained in a recently compiled report of the Fantus Factory Locating Service—an organization which has been responsible through one of its branches for locating industries in areas best suited to their needs. This presentation was made by Leonard W. Crump, director of industrial sales for Oklahoma Natural.

Charles G. Barndt, director, sales and promotion, Lone Star Gas Company, Dallas, talked on the subject "More Than Reddi." Mr. Barndt, newly elected chairman of the A. G. A. General Promotional Planning Committee, presented an optimistic picture of new gas industry developments that challenge the best efforts in future planning.

John H. Glamser, superintendent of distribution, Oklahoma Natural, reported on a successful program which has reduced line losses and leakage on his company's system. His talk was entitled "A Realistic Distribution Maintenance Program."

"Mrs. Oklahoma," Mrs. Russell H. Smith of Tulsa, was guest of honor at the meeting.

Awards scholarship

A COLLEGE SCHOLARSHIP program, designed to help meet the need for qualified engineers in the natural gas industry, has been announced by The East Ohio Gas Company. Under the program outlined, a four-year tuition-paid scholarship will be granted annually to an outstanding high school student in northeastern Ohio, in the area served by the company. The youths, who must be in the upper 15 per cent of their high school class, will work toward a B.S. degree at the Institute of Gas Technology. In addition, they will be provided an opportunity to gain working knowledge of the industry through summer employment with East Ohio.

Rate study issued

ARTHUR ANDERSEN & Company has just issued Supplement No. 1 to its publication, *Return Allowed in Public Utility Rate Cases*. The entire study, prepared for the use of Arthur Andersen's staff, summarizes 1032 public utility rate cases decided during the period 1915-1956. The supplement concentrates on those cases during the years 1953-1956, with cases for the years 1953 and 1954 superseding the same years covered in the original booklet. Digests of each case indicate the return allowed and the amount and type of rate base as designated in the orders or opinions. Comments are included to provide a more complete understanding of the various factors considered by the commissions in determining rate base and allowable return.

Coons, Norman, Davis, take office as GAMA leaders

CLIFFORD V. COONS, executive vice-president of Rheem Manufacturing Co., New York, became president of the Gas Appliance Manufacturers Association on Oct. 7. He succeeded Julius Klein, president of Caloric Appliance Corp., Philadelphia.

Edward A. Norman Jr., president of Nor-

man Products Co., Columbus, Ohio, became first vice-president; second vice-president is Wendell Davis, president of Cribben & Sexton Co., Chicago. Treasurer, for a second time, is Stanley H. Hobson, president of Geo. D. Roper Corp., Rockford, Illinois.

Chairman of GAMA's 20 product divisions

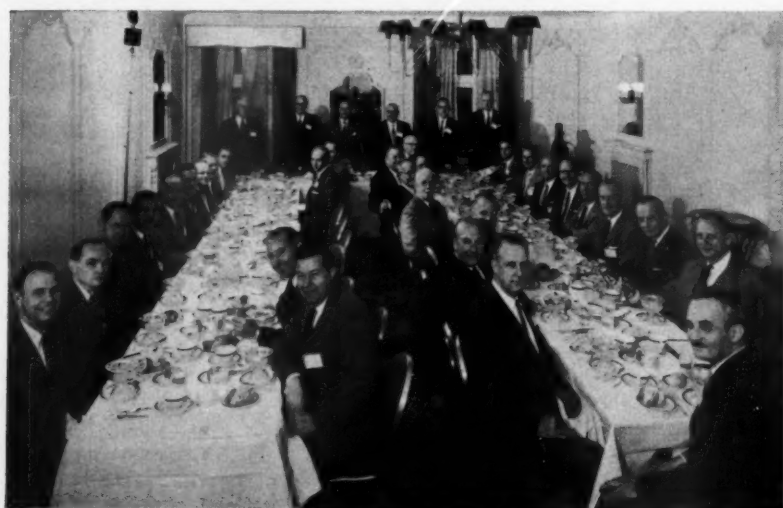
were installed at a meeting of the group's board of directors.

The divisions, and their new chairmen, are as follows:

Automatic controls, S. L. Kile, Baso, Inc.; Direct heating equipment, E. M. Douthat Jr., Locke Stove Co.; Domestic gas range, J. P. Wright, Florence Stove Co.; Gas appliance regulator, Wayne H. Schutmaat, Penn Controls, Inc.; Gas boiler, E. T. Selig, Burnham Corp.; Gas clothes dryer, John W. Benson, Whirlpool Corp.; Gas conversion burner, H. P. Mueller Jr., Mueller Climatrol.

Gas engine compressor, Austin C. Ross, Worthington Corp.; Gas furnace, Edward P. Hayes, The C. A. Olsen Manufacturing Co.; Gas incinerator, William R. Hebert, Calcinator Corp.; Gas meter and regulator, Thomas J. Watt, The Sprague Meter Co.; Gas refrigerator, Louis Ruthenburg, Servel, Inc.

Gas unit heater and duct furnace, Robin A. Bell, Surface Combustion Corp.; Gas valve, Norman J. Reiff, The W. J. Schoenberger Co.; Gas vent and chimney, B. A. Johnson, Condensation Engineering Corp.; Gas wall & floor furnace, A. J. Horn, Day & Night Manufacturing Co.; Gas water heater, David C. Cannon, Lawson Manufacturing Co.; Hotel, restaurant and commercial gas equipment, T. B. Madole, Malleable Steel Range Manufacturing Corp.; Industrial gas equipment, E. J. Funk Jr., C. M. Kemp Manufacturing Co.; Relief valve, A. F. Craver, Patrol Valve Co.



Present at well-attended GAMA board meeting in St. Louis are (standing, l. to r.): Stanley Hobson, treasurer; H. L. Whitelaw, executive vice-president; E. A. Norman Jr., 1st vice-president; Julius Klein, retiring president; Harold Massey, managing director; C. V. Coons, incoming president

Pittsburgh utilities kick off PEP Campaign—Arabian style

AT AN EVENING of Middle Eastern splendor, livened by "King Ibn Saud," one of his "dancing girls," and a 16-ounce steak dinner, the three natural gas companies of Pittsburgh kicked off the 1957 PEP Campaign to spur sales of commercial cooking equipment.

Acclaimed one of the fastest moving and liveliest PEP kick-off meetings ever held in Pittsburgh, the "Sales Magic" dinner left 100 members of the food service equipment industry with the definite feeling that "Gas is best."

R. T. McCrum, Equitable Gas Company supervisor of commercial promotion, emceed the show in front of a backdrop of Middle Eastern design. Executed by a professional decorator, it consisted of scenes of desert castles, fortune tellers, and Arabic water pipes. Imitation potted palms waved in the breeze of a nearby air conditioner.

Paul Friedman, president of the Pennsylvania Food Service Equipment and Supplies Association, spoke briefly at the fifth annual dinner, which was held at McSorley's Restaurant. He assured the gas companies of the continued support of his organization.

Christy Payne, vice-president of Peoples Natural Gas Company, and president of the Pennsylvania Natural Gas Men's Association, also greeted the guests.

Sponsored nationally by the American Gas Association, the PEP (Performance-Economy-Profit) Campaign promotes the sale of gas commercial cooking equipment in the food



Arabia was never like this PEP Campaign kick-off meeting and dinner sponsored by the three Pittsburgh gas companies. Standing "tribesmen" are (l. to r.): M. A. Combs, A. G. A.; R. T. McCrum, Equitable; George Coulter, Manufacturers Light & Heat; R. L. Conover, Equitable; Clarence King, Manufacturers Light & Heat; C. L. Yost, Peoples Natural; Lloyd White, Peoples Natural. In front are: "Miss PEP"; Jim Nassar, Equitable, billed as "King Ibn Saud Nassar"; Hayes Walter, A. G. A.

service field. It is sponsored in Pittsburgh by Equitable Gas Company, Peoples Natural

Gas Company, and Manufacturers Light and Heat Company.

PG&E, Bechtel and Canadian utilities form new gas firm

JACK K. HORTON, vice-president of Pacific Gas and Electric Company, has been elected president and chief executive officer of Alberta and Southern Gas Company, Ltd., a new company which will buy surplus Canadian natural gas for use in the California market.

Formation of the company and election of its officers were announced as the first major step in plans for a \$330 million transmission project to augment California's gas supplies with Canadian gas, beginning in 1960.

Five other Americans and seven Canadians were named to the board of directors of Al-

berta and Southern. They are: James B. Black, chairman of PG&E, who was named chairman of the new company; S. M. Blair, president of Canadian Bechtel, who was named vice-chairman; N. R. Sutherland, president and general manager of PG&E; R. H. Gerdes, J. S. Moulton and P. E. Beckman, all of PG&E; Ross MacKimmie, J. E. A. MacLeod, C. O. Nickle and R. L. Winton, all of Calgary; and D. K. Yorath, president of Northwestern Utilities, and H. R. Milner, both of Edmonton.

Alberta and Southern representatives are now engaged in negotiating contracts with gas

producers in the Canadian fields. The proposed pipeline initially will deliver 400-million cubic feet of gas daily to the San Francisco Bay Area.

Construction will be started as soon as formal government clearances are obtained in Alberta, Ottawa, and the United States.

Covering a 1300-mile distance, the line will originate in the Alberta foothills and follow a route west of Calgary spanning the Canadian Rockies and will traverse portions of Idaho, Washington, Oregon and northern California, terminating at an existing PG&E station at Antioch.

Offer new edition of appliance service manual, supplements

THE Gas Appliance Service Manual for Clothes Dryers, Ranges and Water Heaters published in 1954 by the joint A. G. A.—GAMA Committee on Gas Appliance Service Manuals, G. J. Sandusky, Southern California Gas Co., chairman, has been republished in its second edition according to an announcement by John H. Dennis, Long Island Lighting Co., chairman of the 1957 Committee.

The first edition proved so useful that another edition became necessary to meet the continuing demand, and subscriptions have been opened for another three-year supplement service.

At four-month intervals, this supplement service will provide continuous, up-to-date information and instructions for new or re-

vised products. Supplements will start in September 1957 and continue through May 1960, for a total of eight supplements.

The new edition of the manual is about five by eight inches, with metal ring binding for ease in adding supplementary pages. It incorporates all the material in the first edition plus the eight supplements to date. It now has 540 pages and 370 illustrations.

The clothes dryer section includes information on how to service 18 different makes of dryers or controls; the range section has instructions for 27 manufacturers' products; and the text and illustrations in the water heater section cover products of 25 manufacturers. Instructions for servicing two makes of incinerator controls are also included.

Special features are: "Wiring Diagrams," "Circuit Check Procedures," "Single Point Ignition," "Electric Ignition Systems," "Clocks and Timers," and "Automatic Top Burner Heat Controls."

Prices for the new manual, without supplements, are: 1 copy, \$3.25; 2-10 copies, \$3.00 each; 11-100 copies, \$2.75 each; over 100, \$2.50 each. The three-year supplement service, for renewal by holders of the first edition or purchasers of the second edition of the manual, is priced as follows: 1 subscription, \$3.25; 2-10 subscriptions, \$2.90 each; 11-100 subscriptions, \$2.50 each; over 100 subscriptions, \$2.25 each.

Subscriptions to the manual and the service are available from the A. G. A. Utilization Bureau.

Highlights of cases before Federal Power Commission

Bureau of Statistics, American Gas Association

Certificate cases

● Cities Service Gas Company received temporary authorization from the FPC to replace, construct, and operate natural gas facilities in Kansas at an estimated cost of \$6.5 million. This project involves replacing two lines of 16-inch pipe approximately 142 miles long with a single 30-inch line 74 miles long plus some smaller lines.

● El Paso Natural Gas Company filed an application with the FPC seeking authorization to construct and operate natural gas facilities during 1957 at a cost of \$5 million. The application provides for field lateral lines, compressor facilities, and other appurtenant facilities as needed to attach new supplies from independent producers in the area where expansion of over-all facilities are not involved.

● Equitable Gas Company has applied to the FPC for authorization to develop the Rhodes natural gas storage pool in Lewis County, West Virginia. Development costs, including 12 miles of pipeline, drilling of 40 wells, and a dehydration plant, will approximate \$2.1 million. The company states that normal growth requires additional working storage of 4.8 billion cubic feet in addition to the present storage capacity of 10.5 billion cubic feet in its currently operated 13 underground storage pools.

● Manufacturers Light and Heat Company was granted temporary authority by the FPC to construct and operate natural gas facilities in Ohio and West Virginia. Pro-

posed facilities include construction of nearly 14 miles of pipeline at an estimated cost of \$757 thousand. Authorization also includes abandonment of 12 miles of transmission pipe, of which 9.4 miles would be retained for distribution purposes.

● Ohio Fuel Gas Company has been authorized by the FPC to construct and operate 33 miles of pipeline in Ohio replacing an equivalent amount of pipe at a cost of \$1.2 million. In another case, the FPC granted the company temporary authority to construct and operate nearly 22 miles of pipeline in Ohio at a cost of \$1.1 million.

● Texas Eastern Transmission Corporation and its affiliate, Texas Eastern Penn-Jersey Transmission Corporation, were granted authorization to construct and operate natural gas facilities in a decision filed by FPC Presiding Examiner Woodall, but subject to the Commission's review. Texas Eastern Transmission is authorized to construct about 97 miles of 30-inch loop pipeline between Kosciusko, Mississippi, and Uniontown, Pennsylvania; 9 miles of supply laterals; a new 10,250 horsepower compressor station; and to add 33,360 horsepower to existing compressor stations, and related metering and appurtenant facilities. Cost of these facilities is estimated at approximately \$24.6 million. Texas Eastern Penn-Jersey is authorized to add 24,000 compressor horsepower to existing stations at a cost of \$4.4 million and lease these facilities to Texas Eastern. The combined result of the added facilities will enable Texas Eastern to sell an additional 128 million cubic feet of firm gas daily to

9 existing customers and to provide nearly 93 million cubic feet of winter peaking gas daily to 19 present customers, and raise system daily capacity to 1.9 billion cubic feet.

● Transcontinental Gas Pipe Line Corporation received authority from FPC Presiding Examiner Woodall, subject to Commission review, to construct and operate natural gas facilities at a cost of \$54 million. The project includes 128 miles of loop lines, 260 miles of purchase laterals, 3 new compressor stations with a combined rating of 32,500 horsepower, addition of 22,640 compressor horsepower to existing stations and appurtenant sales meter stations and dehydration facilities. These facilities will be constructed in Texas, Louisiana, Mississippi, Alabama, Georgia, South Carolina, Virginia and Maryland, and will attach major new gas reserves in the West Big Foot area of Texas for increased service to 17 existing customers and 7 new customers. New reserves provide the system with additional firm delivery capacity of 133 million cubic feet daily. In the same decision, Eastern Shore Natural Gas Company was authorized to construct and operate approximately 124 miles of transmission pipeline and appurtenant facilities at an estimated cost of \$3 million to serve the eastern shore areas of Delaware and Maryland.

● In a decision filed by FPC Presiding Examiner G. R. Law, subject to Commission review, 5 pipeline projects designed to deliver an additional 485 million cubic feet of gas daily to Chicago and other Midwest areas was authorized. Chicago District Pipeline Company was authorized to construct a 52-mile loop line between Chicago and Joliet, Illinois at an estimated cost of \$13 million. Affiliated Natural Gas Pipeline Company of America will construct 416 miles of loop line from Beatrice, Nebraska, to Joliet, Illinois, and supercharge 86 mainline compressor engines at an over-all cost of \$76.2 million. Natural Gas Pipeline Company of America was authorized to serve all customers of another affiliated company, Texas Illinois Natural Gas Pipeline. In an interdependent project, Colorado Interstate Gas Company was authorized to construct more than 700 miles of pipeline in Colorado, Oklahoma, and Kansas and to install 60,980 horsepower in new and existing compressor stations. These facilities, to be built at a cost of \$86.9 million, will, in part, replace old facilities, and will enable the company to make deliveries to Natural Gas Pipeline at Beatrice, Nebraska, and to abandon a present delivery point. Pacific Northwest Pipeline Corporation, in turn, was authorized to construct facilities at an estimated cost of \$5.8 million, including the addition of 22,500 compressor horsepower to existing stations, which will permit doubling the 117.5 million cubic feet of gas delivered daily to Colorado Interstate Gas.

NJGA special gas appliance display on exhibit



This New Jersey Gas Association display is seen daily by the civic groups, builders' organizations, and general public visiting the Architects Display Building in Mountainside, New Jersey

Rate cases

(Table at right excludes independent producer rate filings.)

● **Colorado Interstate Gas Company** has applied to the FPC for a proposed \$2,553,000, or 5.4 per cent annual natural gas rate increase which would affect 13 wholesale customers in Colorado, New Mexico, and Wyoming. This is the fourth increase this company has filed with the FPC since 1953. Substantial portions of the first two increases were disallowed, and the third increase suspended. The latest filing is based on proposed increase requested by the supplier, Pacific Northwest Pipeline Corporation. Colorado Wyoming Gas Company filed a proposed \$377,000, or 5.6 per cent, annual wholesale natural gas rate increase with the FPC. This action, to affect four wholesale customers in Wyoming, is based upon request of Colorado Interstate Gas, its supplier, for higher rates.

● **Nevada Natural Gas Pipe Line Company's** proposed increase has been suspended by the FPC. The proposed increase, amounting to 172,600, or 18.8 per cent annually, would affect three wholesale customers in Nevada, and would not only reimburse the company for higher gas costs, but also cover increased operating expenses and provide for a 6.9 per cent rate of return.

● **South Georgia Natural Gas Company** has filed with the FPC a proposed \$305,000, or 26.2 per cent, annual natural gas rate increase which would affect 15 wholesale customers in Florida and Georgia. This filing is to recover higher cost of gas requested by the supplier, Southern Natural Gas Company, and to cover a 6¾ per cent rate of return. Supplier increase has been suspended until Feb. 14, 1958, when it becomes effective subject to refund.

STATUS OF FPC PIPELINE RATE APPLICATIONS

	Fiscal Year 1957		Fiscal Year 1956	
	Number	Amount Millions of Dollars	Number	Amount Millions of Dollars
Rate increases filed	32	\$ 95.1	15	\$ 25.7
Allowed without suspension	6	0.1	9	2.6
Increases suspended	26	95.0	6	23.1
Increases in suspension proceedings at beginning of year	31	134.2	31	134.7
Total suspension proceedings during the year	57	229.2	37	157.8
Suspension proceedings disposed of during the year	16	51.2	6	23.6
Allowed		42.4		14.1
Disallowed or withdrawn after suspension		8.8		9.5
Increase in suspension proceedings at the end of the year	41	178.0	31	134.2

● **Southern Natural Gas Company** had applied to the FPC for an annual wholesale natural gas rate increase amounting to \$18,175,000, or 33½ per cent. These higher rates, which would affect 95 wholesale customers in Mississippi, Alabama, Georgia, and South Carolina, have been suspended pending hearing and decision. In support of higher rates, the company cited higher gas costs, increased operating costs and also claimed a 6.8 per cent rate of return. The FPC noted that more than \$12 million of the proposed increase was attributed to the increased cost of purchased gas, of which prices have not been filed with the Commission, or if filed, are subject to refund. Protests and requests for suspension were received from the Georgia Public Service Commission, customers, and the Georgia Municipal Association.

In other actions, the FPC has exempted the Hoosier Gas Corporation and the Hoosier Pipe Line Corporation, both of Vincennes, Indiana, from regulation under the Natural Gas Act pursuant to terms of the Henshaw Amendment, making a total of 109 companies which have been exempted fully or partially since March 27, 1954.

The FPC announced that it has accepted for filing an application from El Paso Natural Gas Company seeking authority to acquire and operate the pipeline system of Pacific Northwest Pipeline Corporation via an exchange of stock, and an application from the Pacific Northwest Pipeline Corporation requesting approval to abandon its facilities.

Protests or petitions to intervene in the proceedings may be filed with the Commission on or before Oct. 31, 1957.

Columbia Gas announces opening of new building in Ohio

THE OPENING of the Columbia Gas System Service Corporation's new \$1.5 million building in Marble Cliff, Ohio, has been announced. Key system offices are in the new Columbia building and many of the functions important to system-wide operation will be carried on in the building. The new building

houses the system's "electronic brain," the device which automatically analyzes pipeline systems and determines necessary pipe sizes, pressures, etc. It also houses a staff of engineers and employees of the Preston Oil Company, Columbia's oil producing subsidiary. A centralized billing department, where billing

of the 1,300,000 retail customers of the Columbia Gas System will eventually be handled, is located in this building. The modern brick structure, completely gas air conditioned, provides space for about 200 employees who have been working in various locations in the Columbus area.

'Financial World' announces winners of annual report contest

THE national weekly magazine, *Financial World*, has announced the winners in its 17th annual survey of annual reports. First-place winners in each category were presented a bronze "Oscar-of-Industry" at a banquet held in New York's Hotel Statler on Oct. 28. About 5,000 reports were entered in the competition. Of these, 1,874 qualified for final screening for the bronze trophy awarded in each of 100 industrial classifications. Presentations were made by the magazine's editor, Richard J. Anderson. Dr. G. Rowland Collins, dean of the New York University Graduate School of Business Administration, headed the jury which made the selections.

Others on the selecting panel were Paul Haase, managing director, Controllers Institute of America; Prof. William Longyear,

chairman of the department of design, Art School, Pratt Institute; and Dr. Shelby Cullom Davis, past-president, National Federation of Financial Analysts Societies.

The screening of reports was under the direction of Nicholas E. Crane, president, New York Society of Security Analysts, with the cooperation of 26 investment analysts.

The "Gas Products" category was divided into two sections. In the "Over \$75 Million Assets" section, National Fuel Gas Company ranked first, Lone Star Gas Company second, and Laclede Gas Company third. In the "Under \$75 Million Assets" section, Portland Gas & Coke Company ranked first, Indiana Gas & Water Company second, and Pioneer Natural Gas Company third.

In the holding company category, Ameri-

can Gas & Electric Company ranked first, and Middle South Utilities third. Other combination companies, listed under "Operating Electric," won awards as follows. Virginia Electric & Power Company ranked first of those with over \$60 million annual revenue. Oklahoma Gas & Electric Company ranked first, and San Diego Gas & Electric Company third, of companies with between \$20 and \$60 million annual revenue. Michigan Gas & Electric Company ranked first, and California-Pacific Utilities third, of companies with less than \$20 million annual revenue.

Under the subdivision "Security Analyst Statistical Supplements and Yearbooks," Columbia Gas System ranked second, and Arizona Public Service Company third, in the public utilities category.

Manufacturers announce new products and promotions

PRODUCTS

● Robertshaw-Fulton announces a new high-temperature limit shut-off switch for water heaters; the switch shuts off the flow of gas to the main burner and pilot when water temperature in the heater tank becomes excessive or unsafe. The company also reports several design improvements in its "Unitrol 400" control for gas water heaters.

● The new, all-fuel, prefabricated "Metalbestos" chimney, manufactured by William Wallace Company, is suitable for use with heating appliances, low-heat industrial appliances, and domestic incinerators. The venturi principle is used to assure positive chimney draft even in adverse wind conditions.

● Holly-General Company's new Holly CF63 is a counterflow forced air recessed wall heater with all the automatic and safety features of a central forced air system plus the added advantages of two-speed burner and blower controls. It is easy to install, and is rated at 65,000 Btu.

● Ruud reports the introduction of the "Superspeed" series rust-proof automatic water heaters with copper-nickel alloy tanks, for use with all types of gas. Models in the series include: CS 24-25, with 20-gallon tank, 30,000 Btu input, 49 gallon recovery rating; CS 30-30, with 25-gallon tank, 35,750 Btu input, 60-gallon recovery rating; CS 40-40, with 35-gallon tank, 47,500 Btu input, 80-gallon recovery; and CST 60-60, specially designed for both large residential and commercial applications, with 50-gallon tank, 71,500 Btu input, 120-gallon recovery. The two-temperature feature is built into the

CST 60-60, and may be added to the other three models.

● Rockwell announces the "750", a new light-weight, single-joint aluminum gas meter designed primarily for commercial and industrial services. The "750" weighs only 47 pounds, and is easily carried and installed by one man.

● The "Imperial" model leads off the 1958 line of Stiglitz gas dryers. The model, designed to be a twin to most top brands of washers, is available in colors which exactly match those of most nationally manufactured washers. Special features are the built-in ultra-violet lamp, adjustable thermostat for temperatures up to 195 degrees, and the burner which turns off five minutes before the cycle is completed so that drying is finished with cool air.

● Magic Chef has introduced three new ranges for the late 1957 season. The new models, 13B25A, 13B21A, and 13B20A, feature a distinctive new backrail with sun-glow copper escutcheon panel, fluorescent lighting, and charcoal colored clock framed by brush chrome. The new ranges offer such deluxe features as the Red Wheel oven control, center simmer Uni-Burners, and Outamatic broiler that rolls out when the door is opened. In addition, model 13B21A features automatic oven lighting, while 13B25A has automatic oven lighting and Magitrol top burner heat control.

● General Controls announces the manufacture of the "K-3H Hydranoid" main gas control valve with the new "Dial-a-Flo" step opening feature. The valve opens to an ad-

justable pre-set start position for ignition and then slowly opens until full burner input is reached.

● The Patrol Valve Company reports the introduction of two new series of low Btu pilot ignition systems for gas range top burners. Both feature "Lo-Lite" 50 Btu pilots. The 50 Series is designed for cookers and the 55 Series for divided top ranges.

● A new, gas-fired laboratory furnace for temperatures up to 3200°F has been announced by Selas Corporation of America. Known as the "LAByrinth" furnace, it was designed originally by Selas ceramic engineers for use in their own research work and is now available for general laboratory use. It reaches 3200°F from room temperature in only one hour, and holds that temperature with fuel consumption of 160,000 Btu per hour. Specially engineered adaptations can be supplied for larger work loads or for higher operating temperatures. Size is about 14 inches in diameter, 19 inches high.

● Minneapolis-Honeywell has introduced a new combination gas valve and automatic pilot safety control for residential central heating units. The device, designated as the V81, eliminates the necessity of installing and wiring a separate pilot safety control. The gas valve portion of the device is the same as that used in the V80.

PROMOTIONS

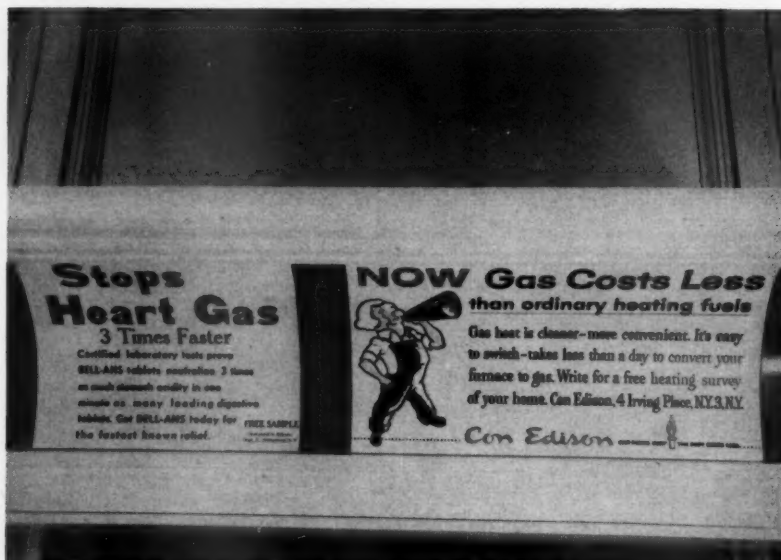
● A new eight-page bulletin (OG-412) just issued by Rockwell combines descriptions of Rockwell meters for measuring liquid propane, liquid butane, and liquid propane-butane mixtures. In addition to product descriptions and illustrations, the new bulletin features a two-page illustrated explanation of the "Rockwell dispensing system," which is designed to insure that the product remains in the liquid state throughout.

● Major appliance dealers throughout the nation recently purchased from Tappan one of the biggest promotion campaigns in the history of the company. The campaign, based on the theme "A Big Deal on All Tappan Gold Ribbon Ranges," features special prices on many top-quality Tappan ranges. The promotion is being highlighted by ads in leading consumer magazines. To supplement the program, dealers are offered a wide selection of local ads featuring "Big Deal Days." The cost of local ads is being defrayed by the manufacturer.

● A four-color brochure available from Southern Pipe Coating Company describes the firm's facilities for cleaning, coating, and wrapping pipe in all sizes from three-quarters of an inch through twelve inches in its new Atlanta, Georgia, plant.

● A throttling type temperature control for commercial gas-fired coffee urns and coffee makers is fully described in Bulletin RT-816 of Robertshaw-Fulton Controls Company.

Signs of incompatibility



Signs juxtaposed the way these two were in a New York subway certainly create comment. Luckily, Con Edison ad men aren't ulcer-prone—they haven't even sent for any free samples of Bell-ANS

OBITUARY

Charles Bollinger

84, assistant manager of American Meter Company, New York, died recently after a brief illness.

He came to Albany, New York, as a young child from Bavaria, Germany, where he was born in 1874. He joined the American Meter Company in Albany in 1898. He was transferred to New York City in 1925, and remained with American Meter until recently.

Surviving are his wife Julia, a daughter, and two sons.

He was a member of the American Gas Association from 1926 until his death.

Bernard C. Cobb

pioneer and leader in the development of electric, gas, and transportation utility companies and one-time chairman of The Commonwealth & Southern Corporation, died recently at the age of 87.

After graduation from Phillips-Andover Academy in 1891, Mr. Cobb entered the employ of the Pennsylvania Railroad System in Grand Rapids in the engineering and maintenance of way department. Subsequently he became assistant to the general manager of the Grand Rapids Gas Company, general superintendent of the Detroit City Gas Com-

pany, and vice-president and general manager of the Saginaw-Bay City Railway and Light Company.

In 1906 he was called to New York by the public utility banking organization of Hodenpyl, Walbridge & Co., and upon dissolution of that firm in 1911 Mr. Cobb was one of the organizers of the firm of Hodenpyl Hardy & Co. Mr. Cobb became its vice-president and chairman of the operating committees of the various electric, gas, and transportation properties with which it was identified.

He was one of the organizers and first officers of The Commonwealth Power, Railway & Light Company, a holding company for electric, gas and transportation utilities in various parts of the United States. Upon formation of The Commonwealth & Southern Corporation during the early part of 1929, Mr. Cobb became chairman and a member of the board of directors. He retired from this office in 1934 and was succeeded by Wendell L. Willkie.

Survivors include four daughters and two sisters.

Fred J. Rutledge

a retired vice-president of The United Gas Improvement Company, died recently at the age of 83.

Mr. Rutledge was in the employ of The United Gas Improvement Company and the Philadelphia Gas Works from 1909 until his retirement in December 1941. He started as assistant commercial agent of PGW and subsequently, in 1923, became vice-president of UGI in charge of gas and electric sales. He

was appointed an operating vice-president in 1929. He was the Philadelphia Gas Works' representative on the Philadelphia Gas Commission, serving also as the commission's secretary, and retained that assignment until 1953. Prior to his UGI connection he was employed by the gas companies in Rockford, Illinois, and Milwaukee, Wisconsin.

For a number of years prior to his retirement he was a director and officer of many of the companies in the UGI system, and for 16 years served as president of the Employees Savings and Beneficial Association.

During his many years of utility service, Mr. Rutledge was active in the work of national, state and local gas and electric associations. He was a member of the American Gas Association from 1919 until his death.

Mr. Rutledge's wife survives him.

Harold E. Timmins

a director of Canadian Western Natural Gas Company Ltd. since 1947, died Oct. 30 at the age of 63. Mr. Timmins had been associated with the utility since its formation in 1912, having started with the utility as a junior clerk, then serving in the accounting department, and later the sales department, and becoming new business manager in 1934. In 1947 he became manager of customer sales and service, and the same year was elected to the board of directors. He took over as director of new business for Canadian Western and its associate company, Northwestern Utilities, Ltd., in January of this year.

Mr. Timmins was active in both The Canadian Gas Association and the American Gas Association.

Dravo builds largest gas piping system in eastern U.S.

A NETWORK of precision-built piping, the largest installation of its kind in the eastern United States, has been fabricated and erected by Dravo Corporation, Pittsburgh, as a gate nest and related piping system for the Manufacturers Light and Heat Company. The system has been installed at a new compressor station now nearing completion at Majorsville, West Virginia, near the Pennsylvania line.

Made of thick-wall seamless carbon steel, the gate nest will serve as a major marshaling yard for routing 83 billion cubic feet of gas annually in the next three years. The system, designed by the utility's engineers, is so built that it can handle service demands at various pressures and volume up to 400 million cubic feet per day.

It consists of five 24-inch underground headers, 11 aboveground crossover lines ranging in size from 12 to 20 inches, 12 precision-bored meter runs, plus four pressure regulator settings and four heater settings. The piping links a new 5280 horsepower compressor station with Manufacturers' extensive pipeline transportation system serving the Tri-State area (western Pennsylvania, eastern Ohio and the West Virginia Panhandle).

This fall and next spring this new \$3,485,000 station will serve as an auxiliary to a nearby 2500 horsepower station built in 1909 to obtain native gas from the two fields now used for storage. This older station will be

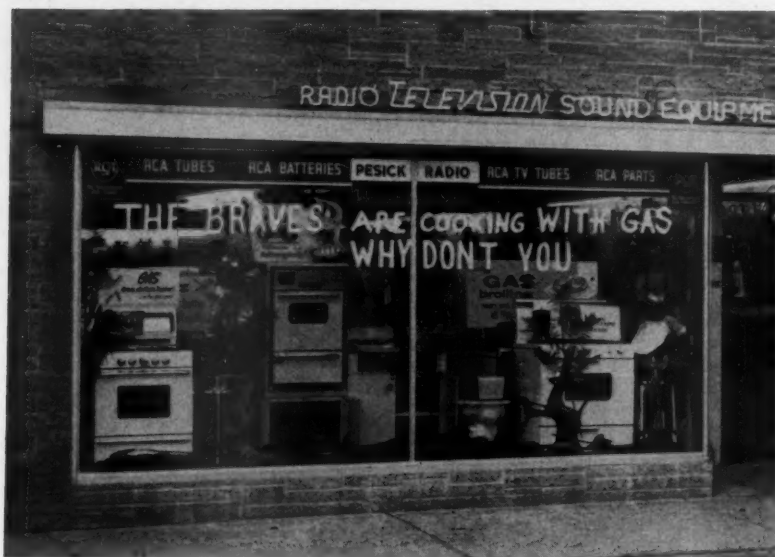
withdrawn from service next year, and the larger station will assume full control of storage and gas relay. Since 1937, when the

native fields were exhausted, the 2500 horsepower station has been used to store and withdraw gas brought in by pipeline.



This network of heavy tonnage piping constitutes major marshaling yard for routing 83 billion cubic feet of gas annually through lines of the Manufacturers Light and Heat Co., Pittsburgh

Appliance dealer recognizes good opportunity



Lavish promotions aren't the only ones that catch the public eye. As shown here, an appliance dealer in Milwaukee recognized a good opportunity when he saw it, took five minutes of time, about a nickel's worth of materials, and came up with a tie-in promotion that can't miss being noticed

Gas industry gaining new vigor, says magazine editorial

THE FOLLOWING EDITORIAL entitled "Has Gas Got It?" appeared in the September issue of *Appliance Manufacturer*. It is reprinted here in its entirety.

"Play no sad songs for the gas appliance industry. Competitors wistfully talk about the gas appliance manufacturers 'having had it.' Yet, individually and jointly, they belie their own observations.

"Gas appliances rank ahead of agitator washers as the target of vicious attacks. Their strong advantages—speed, economy, cleanliness and safety—have all been irresponsibly challenged. Obviously, competitors feel gas appliances are a goal at which to shoot. Often, it seemed, the competitors' estimates of gas have been higher than that of the gas appliance manufacturers.

"The gas appliance manufacturers have bemoaned the large advertising budgets, huge

research and development expenditures, and the big co-op promotion drives of the full line manufacturers. Many despaired, 'How can we compete!'

"Paradoxically, the vehicles through which they could compete—the Gas Appliance Manufacturers Association and American Gas Association—had well founded programs under way and ambitious projects in the planning stage. Yet, individual acceptance of new engineering developments brought out by an effective research program was slow. Cooperation with a well-planned and coordinated public relations program was meager. And an attempt at cooperative promotion and advertising was all but mired in a profusion of rigid viewpoints.

"Underlying was the fact that too many gas appliance manufacturers believed price alone could win and a good many would not cooperate in anything which helped a gas competitor even if it would help themselves, too.

"During this time, fortunately, there were three factors at work: (1) the unalterable inherent advantages of gas; (2) farsighted industry people continued to push product and merchandising upgrading efforts; and (3) gas appliances were consistently being assaulted through competitive fuel and power research, engineering, promotion and advertising.

"Each of these three points played a part in developing what now exists in the gas industry. The natural advantages of gas kept the delay and errors by many manufacturers from doing irreparable harm. Continuing effort by a few industry people on the need for a close-knit cooperation was actually reinforced by mounting competitive challenges.

Parrott heads PUAV group

JOHN C. PARROTT, president of Roanoke (Va.) Gas Company, was elected president of the Public Utilities Association of the Virginias at the group's 39th annual meeting at White Sulphur Springs.

Mr. Parrott succeeds William J. Stewart, of Wheeling (W. Va.) Electric Company as head of the organization of electric and gas utility companies serving Virginia and West Virginia.

Hugh D. Stillman, division manager, Appalachian Electric Power Company, Huntington, W. Va., was elected first vice-president. H. Atwood Hitch, vice-president, Virginia Electric and Power Company, Richmond, was named second vice-president of the group.

Officers re-elected, all from Roanoke, were William F. Keehne, system office manager, Appalachian Electric Power Company, as treasurer; Arthur T. Ellett, secretary-treasurer, Roanoke Gas Company, as assistant treasurer; Robert W. McKinnon, as executive secretary.

Some 450 delegates to the two-day PUAV conference heard addresses by Clem D. Johnston, of Roanoke, past president of the United States Chamber of Commerce; Donald C. Cook, of New York, executive vice-president of the American Gas and Electric Service Corporation; and Clarence H. Linder, also of New York, vice-president of General Electric.

As enlightenment came—slowly and painfully to most—a more determined, cohesive gas industry emerged.

"Much of the hesitancy has disappeared about cooperative efforts. The old complacency is gone. Long standing distrust of competitive gas appliance manufacturers has been pushed aside. Utility-manufacturer quarrels are dissolving as each learns more about the other in cooperative efforts. As more and more common interest comes to the fore, the gas industry is gaining a new vigor, a new strength.

"The signs are everywhere. The once-shunned engineering advances are being accepted with an avaricious appetite. Styling is now a tool, not a by-product. Even the prosaic water heater, furnace and space heater have felt the impact. The manufacturers are increasingly becoming aware of personal as well as industry benefits of the public relations program. As more manufacturers cooperate, the more each is benefiting. National promotion and advertising by GAMA and A. G. A., comparable to any competitive efforts, is gaining in both financial and cooperative support. And, as did the competition, the gas industry is learning that national advertising is meaningless without individual tie-in support and local level follow through.

"Yes, the signs of a new vigor, a growing strength are all there. Yet, the roughest challenge still lies ahead.

"Gas appliance manufacturers—like other appliance manufacturers—are in the pinch of a sadly sagging year. Keeping faith with long range programs and the bright predictions for the 1960's will test the true strength of the newly won unity in the gas industry."

Bolinger elected president of East Tennessee Natural

JOHN C. BOLINGER JR. has been elected president and director of East Tennessee Natural Gas Company, Knoxville, Tennessee.

Mr. Bolinger was assistant to the president of Mississippi River Fuel Corporation and vice-president and director of subsidiary operations of Mississippi River Fuel Corporation prior to his election by East Tennessee Natural Gas Company. He is a graduate of the University of Tennessee and Harvard Business School.

Mr. Bolinger succeeds Guy T. Henry as president. Mr. Henry, who became president of Providence (R. I.) Gas Company on Sept. 1, will continue as a member of the board of directors of East Tennessee Natural Gas Company.

East Tennessee Natural Gas Company owns and operates more than 530 miles of main transmission pipelines and more than 190 miles of lateral transmission pipelines in central and eastern Tennessee.

Harvin elected

JACOB R. HARVIN, vice-president and counsel for Columbia Gas System Service Corporation, has been elected vice-president and director of The Columbia Gas System, Inc., parent company of the natural gas companies comprising the Columbia Gas System. Educated at the College of Charleston (S. C.), the University of Virginia, and the Sorbonne in Paris, Mr. Harvin was an associate in the law firm of Cravath, Swaine and Moore until 1929 when he joined the legal staff of Columbia. He served as the service company's assistant secretary and secretary before he became counsel. He is a member of the boards of directors of 15 of the system's 16 subsidiary companies.

Foley president

FRANK D. FOLEY, prominent Columbus (Ga.) attorney, has been elected president of the Gas Light Company of Columbus to succeed the late C. F. Williams. Mr. Foley is a member of the law firm of Foley, Chapell, Kelly, and Champion, general counsel of the utility. Previous to his election, he was a director of the utility. He is a director of many large business enterprises, and past president of both the Columbus Bar Association and the Georgia Bar Association.

Kniebes promoted

DUANE V. KNEIBES, specialist in analysis instrumentation and computers, has been named assistant research director at the Institute of Gas Technology of Illinois Institute of Technology, Chicago. Mr. Kniebes will be responsible for research activities in the institute's analytical division and the computer laboratory. He joined the Institute of Gas Technology in 1949 as an assistant chemist and was promoted to head of the analytical division in 1954. A 1948 graduate of Michigan State University, Mr. Kniebes received his B.S. degree in chemistry. In 1954, he was awarded an M.S. degree in physics from Illinois Institute of Technology. He is a member of the American Gas Association.

Personal and otherwise

Public Service appoints Freer comptroller, Fay assistant controller

PUBLIC SERVICE Electric and Gas Company of Newark, New Jersey, announces a series of promotions in its comptroller's department. They went into effect upon the retirement of F. Warren Cooper, comptroller.

Frank Freer Jr., assistant comptroller, was promoted to comptroller. Mr. Freer joined the utility in 1920 as a bookkeeper following graduation from New York University. He was promoted to assistant chief accountant in 1935, chief accountant in 1945, and assistant

comptroller in 1950. He has been active in A. G. A. committee work.

New assistant comptroller is Lewis R. Fay, who has been chief accountant since 1950. Mr. Fay joined the company as an authorization bookkeeper in 1925 following graduation from New York University. He was promoted to assistant to the chief accountant in 1935, and assistant chief accountant in 1945. He is active on the A. G. A. General Accounting Committee.

Other promotions are: Willard A. Burnett, from assistant chief accountant to chief accountant; James E. Daborn from senior accountant to assistant chief accountant; Henry M. Hobson, from assistant chief accountant to assistant to the comptroller; Alfred G. Totten Jr. from assistant to the chief accountant to staff accountant; Edward J. Holcombe from accountant to assistant to the chief accountant; and Charles Bartholomae from accountant to senior accountant.

Morton retires as vice-president of Cities Service Gas Company

R. L. MORTON has recently retired as vice-president and director of Cities Service Gas Company, Oklahoma City, after 37 years of service.

Mr. Morton began his career with Cities Service as assistant to the vice-president and treasurer of the Empire Companies in 1920.

He became assistant treasurer in 1924, and named treasurer in 1928. He was in charge of financial planning and negotiations through the early 30's, becoming vice-president of the Indian Territory Illuminating Oil Company at Bartlesville in 1935. With the merger of ITIO with Cities Service, Mr. Morton be-

came vice-president of Cities Service Oil Company in 1941.

Three years afterwards he was named vice-president and treasurer of Cities Service Gas Company.

Mr. Morton was a member of the American Gas Association.

Bruce McCandless will join Milwaukee Gas Light as sales vice-president



Bruce A. McCandless

Mr. McCandless goes to Milwaukee Gas Light from American Gas Association

Headquarters, where he has been assistant managing director for the past two years. He is a native of Dayton, Ohio, and was educated in the public schools of Euclid, Ohio. He is a registered professional engineer, having graduated from Purdue University with a B.S. degree in engineering in 1937. He attended the Columbia University Utility Management Workshop in 1952. Upon graduation from Purdue, Mr. McCandless joined the National Carbon Company, Inc., of Cleveland, Ohio, remaining with that firm until 1939, when he left to join the American Gas Association Laboratories in Cleveland. During World War II, Mr. McCandless

served with the Army and was discharged as a lieutenant colonel in the Field Artillery in 1945. Returning to the A. G. A. Laboratories, he remained there until 1952, rising to the position of assistant to the director. At that time he was called to A. G. A. Headquarters in New York, where he was named assistant to the managing director. He was appointed assistant managing director in 1955.

Mr. McCandless is a member of the Consumer Goods Standards Board of the American Standards Association, and a member of that association's Committee on Legal Procedures. He also is a member of the Trade Association Committee of the U. S. Chamber of Commerce.

During World War II, Mr. McCandless

Mr. McCandless is a member of the Consumer Goods Standards Board of the American Standards Association, and a member of that association's Committee on Legal Procedures. He also is a member of the Trade Association Committee of the U. S. Chamber of Commerce.

Names in the news—a roundup of promotions and appointments

UTILITY

Robert B. Herrold, assistant manager of customers accounting and collecting for Ohio Fuel Gas Company, has been promoted to assistant treasurer in charge of customers accounting, succeeding Harry S. Hahn who retired Oct. 1. Mr. Herrold has been with Ohio Fuel and its parent corporation for the past 19 years.

Merritt H. Taylor has been elected president and a director of Pennsylvania and Southern Gas Company and its subsidiaries. He is chairman of the board of Philadelphia Suburban Transportation Company and president of Allied Gas Company of Illinois. Another new director of Pennsylvania and Southern (a holding company) is William L. Butler, also a director of Philadelphia Suburban Transportation Company.

The Brooklyn Union Gas Company announces the promotions of Charles L. Neumeyer to manager of its rate department, of Luke P. Mulvihill to assistant district manager of the commercial offices in Queens, and of Alfred W. Van Dusen to supervisor on the manager's staff.

Peoples Natural Gas Company reports that Charles V. Hoey has been appointed to the newly created post of employee relations director. Succeeding him as personnel manager is Louis E. Boliver. New head of the company's payroll department is William P. Glancy.

Southern Counties Gas Company promoted three executives after its veteran Santa Barbara division manager, George W. Smith, went on disability because of failing health. Named to succeed him was Thomas N. Banks, who has been with the utility for over 20 years. Monte S. Christie, Santa Barbara division superintendent, succeeds Mr. Banks as San Gabriel Valley division superintendent, and Fred B. Bennett, distribution supervisor of the San Gabriel Valley division, succeeds Mr. Christie.

At Lone Star Gas Company, E. D. Anderson has been promoted to superintendent of production in charge of Lone Star Producing Company personnel in the production department. Jack Gourle, as assistant chief engineer, will aid the chief engineer and supervise Lone Star Gas Company personnel and work pertaining to the production department.

John R. Kleespies has been appointed manager of the procedures and organization department, a newly created position with the Pacific Gas and Electric Company. He will advise and assist the company's management in the simplification of work procedures and the development and improvement of organization.

Virginia Electric and Power Company announces the following appointments effective Oct. 16: Walter J. Matthews, Richmond district manager, was appointed assistant general sales manager. S. Harold Fletcher, Petersburg district manager, was appointed Richmond district manager. A. J. Young, Rappahannock district manager, was appointed Petersburg district manager. Floyd Gibbs, Peninsula district

manager, was appointed Rappahannock district manager.

Leroy E. Jirikovec has been appointed Gainesville district manager of the Georgia Gas Company division of United Cities Gas Company. He was formerly assistant to the vice-president and chief engineer of United Cities Gas.

PIPELINE

J. D. Williamson has been appointed staff geologist in the production and supply department of Trunkline Gas Company. He was formerly with Gulf Oil Corporation.

MANUFACTURER

Temco, Inc., has appointed William T. Brent as sales promotion manager. For the past three years he has represented Temco as Mid-South district manager with headquarters in Memphis.

Norge has made three new appointments. Kenneth E. Anderson has been made a vice-president; he is general plant manager of Norge operations at Muskegon, Michigan. Paul R. Kennedy, with Serrel for the past 11 years, has been appointed gas utility sales representative; he will be responsible for the development of Norge gas range, water heater, and clothes dryer sales with utilities in the South. Gordon G. Hurt has been appointed national merchandising manager for Norge, with responsibility for merchandising activity in the entire Norge home appliance advertising and promotional effort.

Newly appointed general sales manager of the Payne Company is Owen McComas. Mr. McComas has been associated with the Southern California Gas Company.

New director of public relations of Rheem Manufacturing Company is Earl Kirmser. He has been associated with Minneapolis Honeywell, and with Carl Byoir and Associates.

Mueller Climatrol announces that Richard B. Schmidt has been appointed to the newly created position of sales promotion manager, and William S. Malley has been appointed personnel manager.

Don M. Harris has been named Maytag regional manager for western Colorado. He will serve franchised Maytag dealers in 29 counties in western Colorado, two counties in Utah, and one in New Mexico.

John L. Leisenring, Chicago district sales engineer for Rockwell Manufacturing Company's meter and valve division since 1948, has been promoted to assistant manager—gas products sales, with headquarters in Pittsburgh. Five members of the company's Rockwell-Nordstrom valve sales program have also been promoted. They are: Thomas I. Stacy, former Houston district sales manager, now assistant product manager—transmission line valve sales; Richard E. Miller, former gas sales supervisor in the New York district, now assistant product manager—valve lubricants and accessories; Jack W. Harris, former Houston senior sales engineer, now assistant product manager—refinery and chemical valve sales;

John R. Applegate, former Chicago senior sales engineer, now assistant product manager—utilities valve sales; and Clyde H. Chronister, former Tulsa senior sales engineer, now assistant product manager—production valve sales.

Richard L. Lighstone has been appointed a sales engineer in the instrument division of Robertshaw-Fulton Controls Company.

James W. Smith, sales engineer of the Sprague Meter Company, has moved his offices from Tulsa, Oklahoma, to Kansas City, Missouri. His new territory will cover Missouri, Kansas, Nebraska, Colorado, Northern Oklahoma, and southern Wyoming. Ray Fogelman, sales engineer, will cover southern Oklahoma.

American Meter Company reports the appointment of Wilbur W. Lints as sales-service representative, with headquarters in Erie, Pennsylvania, and Vernon C. Welsh as sales representative for the Wynnewood, Pennsylvania sales district.

OTHER

D. K. Yorath and J. C. Dale were elected to the board of International Utilities Corporation of New York. Mr. Yorath is president of Northwestern Utilities, Ltd. and Canadian Western Natural Gas Company Limited, Calgary. Mr. Dale is president of Canadian Utilities, Ltd.

Clark H. Craft has been named chief engineer and Ralph W. Howe has been named superintendent of measurement for the Big Little Inch division of Texas Eastern Transmission Corporation. This division handles transportation of petroleum products. Mr. Craft will supervise all its engineering and planning activities, and Mr. Howe will supervise measuring and gauging of all petroleum products handled by the division.

Robert O. Garrett, vice-president and general manager of Texas Gas Exploration Corporation, has been elected to the company's board of directors. Election of James W. O'Keefe as treasurer and appointment of W. J. Wooten as manager of the land department were announced at the same time. The company is a subsidiary of the Texas Gas Transmission Corporation.

Harry H. Fitzgerald and Leonard Milano have been elected vice-presidents of Commonwealth Services, Inc. Mr. Milano is a director of the Berkshire Gas Company and Quebec Natural Gas Corporation.

L. S. Baldin, W. R. Fleming, and W. O. Johnson have been elected vice-presidents of Ford, Bacon, & Davis. Mr. Fleming—who is currently directing large-scale natural gas projects for Westcoast Transmission Company and Inland Natural Gas Company—was also elected vice-president of the engineering firm's wholly-owned Canadian subsidiary.

Arthur E. Wastie, formerly with H. Emerson Thomas and Associates, has been elected vice-president in charge of engineering at Drake & Townsend, Inc. Succeeding him as chief engineer at H. Emerson Thomas and Associates is Warren J. Meyer.

Public information

(Continued from page 25)

fore has such close-knit unity among gas industry public relations executives existed, and this has largely been due to the efforts of A. G. A. leadership. And perhaps never before has such conscious and effective work in the field of public relations been undertaken at the local level."

The program's major aims are the following:

1. Win greater employee understanding and support.
2. Combat the growth of government in gas.
3. Stimulate greater public relations action.
4. Supply information tools and ideas.
5. Expand national publicity on gas.

In line with these aims, the Public Information Bureau has recently issued three publications to assist gas companies in dealing with three topics of major importance—investment, recruitment of college graduates, and the Bing Crosby promotion.

The investment story has been presented in a two-color, pocket-sized booklet cleverly illustrated by cartoonist Don Herold. "Why I Invested in the Gas Industry" is directed toward stockholders, potential stockholders, and employees, telling in easy-to-read language why the gas industry is a profitable place for the investment dollar. The industry's beneficial combination of dynamic growth and basic stability are clearly disclosed under such headings as "What a Future!" "The Big Fuel Bargain," "How the Business Shapes Up," "Regulated? Sure," "Why Gas Has Grown Greatly in Recent Years," and "An Investor-Owned Miracle."

Recruitment of college graduates is treated in a 20-page, two-color booklet entitled "Build Your Future in the Gas Industry." This booklet tells the potential employee why work in the gas industry is "more than just a job." After a discussion of the growth of the gas industry, the booklet goes on to explain what this growth means to the individual

employee—"Opportunity, security, good pay, challenge, adventure, training programs, promotion from within, employee benefits."

The booklet then outlines specific job opportunities for college graduates who have studied the various phases of engineering, accounting and finance, home economics, liberal arts, law, and other fields. These booklets, in the hands of college employment advisors, can bring the college graduate to the gas company doorstep.

The third major project recently completed is a newspaper supplement which gives publicity support to the Bing Crosby promotion. The supplement contains articles, photographs, and advertisements on gas and its seven domestic uses, and features Bing Crosby with his message: "Make It a White Christmas. . . . Give Her an Automatic Gas Appliance." The Christmas theme is carried out throughout the supplement, by special articles offering hints on Christmas cooking and entertaining. On the back page of the supplement are photographs of Julia Meade with seven domestic gas appliances.

This two-color supplement can be distributed in utility showrooms, or mailed to customers. Its size—about 18 inches wide and 23 inches long—is the same as that of a standard non-tabloid newspaper, making it ideal for duplication and insertion in local newspapers.

All efforts have been made to personalize this supplement so that it will best assist the individual gas company in its local Bing Crosby promotion. Advertisements in the supplement will be altered to feature the sponsoring company's name. Any advertisement or photograph can be removed and replaced with a mat of the same size. Those companies who wish to purchase individual mats appearing in the supplement may do so at a nominal fee.

Costs for "Why I Invested in the Gas Industry," "Build Your Future in the Gas Industry," and the Bing Crosby newspaper supplement appear on Page 52. For further information, contact the A. G. A. Public Information Bureau.

Incinerator manual published by GAMA

A MANUAL of recommended practices for the installation of domestic gas-fired incinerators has been reprinted by the incinerator division of the Gas Appliance Manufacturers Association. The manual, produced by the division's Technical Committee, gives detailed instructions, with diagrams, covering

the installation of gas incinerators, gas piping, flues and vents. It also includes instructions on incinerator operation and maintenance. The 12-page booklet is available at 15 cents a copy from the Gas Appliance Manufacturers Association, 60 East 42 Street, New York 17, New York.



1958

JANUARY

- 6-8 • A. G. A. Home Service Workshop, Hotel Radisson, Minneapolis, Minn.
- 19-23 • National Association of Home Builders Convention, Coliseum, Chicago, Ill. (A. G. A. will exhibit)
- 27-29 • American Society of Heating and Air Conditioning Engineers, Annual Meeting, Pittsburgh, Pa.

FEBRUARY

- 28-29 • PCGA-A. G. A. Western PR Workshop, The Riviera Hotel, Las Vegas, Nev.

MARCH

- 17-21 • National Association of Corrosion Engineers, Annual Conference and Exposition, San Francisco, Calif.
- 20-21 • New England Gas Association, Annual Meeting, Hotel Statler, Boston, Mass.
- 24-26 • Mid-West Gas Association, Broadmoor Hotel, Colorado Springs, Colo.
- 27-28 • Oklahoma Utilities Association, Annual Convention, Biltmore Hotel, Oklahoma City, Okla.
- 31-April 2 • Gas Appliance Manufacturers Association, Annual Meeting, The Greenbrier, White Sulphur Springs, W. Va.
- 31-April 2 • A. G. A. General Management Section Conference, The Shoreham, Washington, D. C.

APRIL

- 8-10 • A. G. A. Sales Conference on Industrial and Commercial Gas, Hotel Schroeder, Milwaukee, Wis.
- 14-16 • National Conference of Electric and Gas Utility Accountants, Shamrock-Hilton Hotel, Houston, Texas.
- 17-18 • Indiana Gas Association, Annual Convention, French Lick-Sheraton Hotel, French Lick, Ind.
- 21-23 • A. G. A. Research and Utilization Conference, Hotel Carter, Cleveland, Ohio.
- 28-30 • Southern Gas Association, Annual Convention, Dallas, Texas.

MAY

- 4-7 • LPGA Annual Meeting, Conrad Hilton Hotel, Chicago, Ill.
- 4-7 • Air Conditioning and Refrigeration Institute, Annual Meeting, The Homestead, Hot Springs, Va.
- 5-9 • Distribution, Production and Transmission Conference, Roosevelt and Commodore Hotels, New York City.

Personnel service

SERVICES OFFERED

General or Operations Manager—27 years' experience in all phases of gas industry—last 7 in natural. Well known in industry. Available immediately. Details upon request. Married. (48) 1883.

Pakistani wishes position as apprentice to learn of United States natural gas company operations. Educated at the University of Punjab with courses in Gas Technology. Westminster Technical College, London. Available after June 1958. 1884.

Sales and Promotion Executive—20 years' experience in the field of advertising, promotion and sales. Ten years with a manufacturer of household gas appliances in advertising and selling capacity. Advertising agency experience as an account executive handling appliances. Have knowledge of and have worked extensively with distributors and dealers, also utilities. College graduate, veteran W.W.II. Married, one child. Complete resume of business background available on request. 1885.

Factory Sales Representative—with over 20 years' experience, seeks new connection with a reputable manufacturer, promoting and merchandising domestic gas appliances, preferably in the New York-New Jersey areas. Top notch performance and references. 1886.

General Sales Manager—Experienced in retail dealer, distributor and manufacturers sales management. 12 years with outstanding merchandising utility. Products sold—heating, cooling, water heaters, ranges, refrigerators, residential and commercial. 1887.

ME Graduate with 8 years' management experience covering all phases of manufactured and natural gas operations, desires permanent position with live-wire, progressive company where advancement opportunity exists. Can competently manage medium sized company or head up department or branch of larger company. Outstanding personal qualifications and excellent relations with superiors, subordinates and the public. Will relocate. 1888.

Factory Sales Representative—with over 20 years experience, seeks new connection with a reputable manufacturer, promoting and merchandising domestic gas appliances, preferably in the New York-New Jersey area. Top notch performance and references. 1889.

Public Relations Director—broad experience in all phases of public relations. Sound approach to community and customer relations. Publicity materials with a purpose. Would relocate. 1890.

Training Director—Sales and Personnel—practical background with thorough understanding

of motivation, group and individual training, follow through. Experienced in recruitment and employment methods. Would be willing to relocate. 1891.

Project Engineer—considering change, location immaterial. Presently employed as project engineer in design, development, and promotion of non-patent process to produce 4.5 micron wavelength infra-red from natural, manufactured, or propane gases. Has recently supplied this equipment to one of largest U.S. automobile manufacturers to cure synthetic enameled parts in 2-3½ minutes. Only progressive firms offering substantial remuneration, contract, and potential advancement to executive position need reply. Interview in NYC. 1892.

Sales Engineer—ME degree. 21 years in sales and service of gas refrigerator and water heater for a manufacturer. Fully familiar with gaining product acceptance at every level. Wide experience in personnel training. (War experience: Trained highly skilled technicians and field engineers in the design, use, maintenance and repair of intricate precision equipment.) Well known in New England and Mid-Atlantic states. Desire sales engineering position in same general area. Have high level of interest and capacity in air conditioning. 1893.

Executive Engineer—professional license with 15 years experience: A. G. A. Laboratory, Division Management consisting of the design, development and production of nationally sold lines of heating equipment and consulting engineering. 1894.

Systems-Asst. Treasurer—Controller-Manager—25 years utility operation at all levels including consulting and public accounting. Complete system, design and installation of IBM systems, post card billing, rate analyses, centralized billing, mechanical cash posting and airtight controls. Form design all procedures and flow charts for customers and general accounting including stores. Original cost, CPR, all statements. Excellent references; married; 1 child; BS Accounting; prefer Northeast. (45) 1895.

POSITIONS OPEN

Experienced home economist—with college degree in foods, for home service staff in one of the larger New England utilities. Send experience resume and personal data. Salary open. 0849.

Gas Engineer—Connecticut utility wants an engineering graduate with some experience in gas production, distribution and customer service. Prefer man under 35. Submit complete resume. Starting salary \$7,000-\$7,500 plus other benefits. 0851.

Sales Engineer—excellent opportunity with expanding specialty manufacturer of cast iron gas boilers for aggressive man with background in the wet-heat field, to call on jobbers, contractors, architects, builders, utilities. Able to organize sales meetings and render technical field service. Willing to travel and relocate. Applications held in strict confidence. 0852.

Compressor Station Engineer—large gas utility in Great Lakes area needs graduate engineer, preferably under 40, with some compressor station experience. Assistant to superintendent in design field engineering and other problems related to maintenance and operation of stations. Liberal benefits. Salary in line with education and experience. State personal and educational qualifications. 0853.

Gas Engineer—outstanding opportunity for exceptional young gas engineers with interest in management and sales. Expanding staff of national firm of business and engineering consultants has room for ambitious men with general gas utility experience. Men selected will receive diversified consulting assignments, particularly in the fields of sales and market analysis, under close personal supervision of experts in the field. This is an opportunity to grow in a friendly atmosphere where initiative is encouraged and rewarded. 0854.

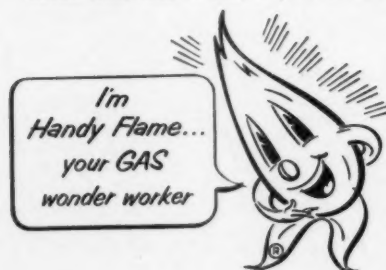
Mechanical Engineer—research and education facility on technical institute campus in mid-west needs young engineer with supervisory ability for expanding program in applied research on gas utility problems. Excellent opportunity for professional development, including broad industry contacts, part-time graduate study and part-time teaching if interested. Salary commensurate with experience and ability. 0855.

Gas Measurements Engineer—extraordinary opening for an able man interested in the measurement and despatch of natural gas for industry. An opportunity to join a major new Canadian utility while in early development. Graduate engineer or equivalent. Some experience in large volume gas measurement essential. Address application in writing to: Northern Ontario Natural Gas Co., Ltd., 270 University Ave., Toronto, Ontario. 0856.

Handy Flame registered with U. S. Patent Office

THE PAST ISSUE of the A. G. A. MONTHLY published an article announcing the new A. G. A. Flipchart Program, a graphic approach to safety education in the gas industry.

Covers from each of nine Flipcharts were



published with the article. On the cover for Safety Flipchart No. 4, there appeared the name "Handy Flame" beneath a multi-armed figure designed to illustrate hand tool safety.

The American Gas Association and the National Safety Council, which cooperated in preparing the safety program, were in error in the use of the name "Handy Flame." A. G. A. has been advised by W. H. Rohr Jr. of Indianapolis, Indiana, that the name "Handy Flame" may be used only to identify the gas advertising character, Handy Flame, which he has registered as a "Service Mark" with the U. S. Patent Office. This registration became effective on Aug. 13, 1957, and was drawn to the attention of A. G. A. in a letter of Oct. 22, 1957, from Mr. Rohr. The American Gas Association and National Safety Council regret this error.

Donates equipment

SOUTHERN COUNTIES GAS COMPANY has presented three pieces of telemetering equipment to the University of Southern California School of Engineering. The three pieces—a recorder, transmitter, and controller—were used by the utility to maintain pressures automatically in its Santa Monica Bay Division. When Southern Counties increased supplies of natural gas in the Santa Monica Bay Division and raised the system pressure from 4-5 to 15-20 pounds per square inch, the telemetering equipment became unnecessary.

Had Southern Counties wanted to maintain the controls, it would have been necessary to add new equipment as new supply points were added to feed natural gas into the area. At the university, the instruments will find ready use for training students in petroleum, electrical, and chemical engineering.

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 Man. Dir.—Harold Massey, 60 East 42nd St., New York 17, N. Y.

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 Man. Dir.—Robert R. Suttle, 1524 Life of America Building, Dallas 2, Texas.

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Pres.—S. Lloyd Nemeyer, Milwaukee Gas Light Co., Milwaukee, Wis.
 Exec.-Sec.—Dale F. Hansman, 135 West Wells St., Milwaukee 3, Wis.

American Gas Association

HEADQUARTERS, 420 LEXINGTON AVE., NEW YORK 17, N. Y.

A. G. A. LABORATORIES • 1032 East 62nd Street, Cleveland 3, Ohio • 1425 Grande Vista Avenue, Los Angeles, Calif.
WASHINGTON OFFICE • Room 804, Securities Bldg., 729-15th St., N.W., Washington 5, D. C.

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